



City and Borough of Wrangell  
2019-12-10 Borough Assembly Meeting  
AGENDA

Tuesday, December 10, 2019  
6:00 PM

Location: Borough Assembly Chambers  
City Hall

**1. CALL TO ORDER**

- a. PLEDGE OF ALLEGIANCE led by Assembly Member Patty Gilbert
- b. CEREMONIAL MATTERS
  - i. Representative Dan Ortiz - Legislative Update

**2. ROLL CALL**

**3. PERSONS TO BE HEARD**

**4. AMENDMENTS TO THE AGENDA**

**5. CONFLICT OF INTEREST**

**6. CONSENT AGENDA**

- a. Consent Agenda - MOTION ONLY
- b. Assembly Minutes from Regular November 12, 2019

**7. BOROUGH MANAGER'S REPORT**

- a. Capital Facilities Department Report

**8. BOROUGH CLERK'S FILE**

- a. Clerk's File

**9. MAYOR AND ASSEMBLY BUSINESS**

**10. MAYOR AND ASSEMBLY APPOINTMENTS**

- a. Appointment to the Planning & Zoning Commission

**11. PUBLIC HEARING**

- a. **ORDINANCE No 970** REPEALING AND REENACTING CHAPTER 5.20 OF THE WRANGELL MUNICIPAL CODE RELATED TO THE PERMANENT FUND INVESTMENT POLICY, OBJECTIVES AND GUIDELINES

**12. UNFINISHED BUSINESS**

- a. **RESOLUTION No 12-19-1506** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING THE REFUND OF OVER PAYMENT OF PROPERTY

TAXES AND EXPENSES TO ARNOLD AND ALICE BAKKE DUE TO A MANIFEST ERROR IN THE AMOUNT OF \$4,382.46 (*postponed from the September 24, 2019 meeting*)

### 13. NEW BUSINESS

- [a.](#) **RESOLUTION NO. 12-19-1503** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA SUPPORTING ROADLESS RULE ALTERNATIVE SIX (6)
- [b.](#) **RESOLUTION No 12-19-1504** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2020 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FISHERIES MANAGEMENT IN FMA 18: CENTRAL SOUTHEAST
- [c.](#) **RESOLUTION No 12-19-1505** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA SETTING THE STRATEGIC ASSET ALLOCATION OF THE PERMANENT FUND AT 55% EQUITY AND 45% FIXED INCOME
- [d.](#) **ORDINANCE No 971** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.02.070 OF THE WRANGELL MUNICIPAL CODE TITLED INVESTMENTS PLACED
- [e.](#) **ORDINANCE No 972** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE EXECUTION OF A COMMON INVESTMENT AGREEMENT AMONG POLITICAL SUBDIVISIONS OF THE STATE OF ALASKA AND TO AUTHORIZE BECOMING A MEMBER OF THE ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC.
- [f.](#) Establishment of a Wrangell 2020 Census Complete Count Committee

**14. ATTORNEY'S FILE** – Available for Assembly review in the Borough Clerk's office

### 15. EXECUTIVE SESSION

- [a.](#) **Executive Session:** Borough Manager's Annual Evaluation & Contract Discussion

### 16. ADJOURNMENT

**CITY & BOROUGH OF WRANGELL, ALASKA****Consent Agenda MOTION**

***Move to approve the Consent Agenda as submitted.***

**SUBMITTED BY:**

Kim Lane, Borough Clerk

**INFORMATION:**

***Consent agenda.*** Items listed on the consent agenda or marked with an asterisk (\*) are considered routine and will be passed in one motion; provided, upon the request of any member, the manager, or the clerk, an item on the consent agenda shall be removed from the consent agenda and placed under New Business for assembly action.

## Minutes of Regular Assembly Meeting

Held on November 12, 2019

Mayor Stephen Prysunka called the Regular Assembly meeting to order at 7:10 p.m., November 12, 2019, in the Borough Assembly Chambers. The pledge was led by David Powell and the roll was called.

PRESENT: DELONG, POWELL, PRYSUNKA, MORRISON, GILBERT, LARRABEE

ABSENT: DECKER

Borough Manager Von Barga and Borough Deputy Clerk Mollen were also in attendance.

### CEREMONIAL MATTERS

Mayor Prysunka presented Certificates of Service to Alicia Holder (WCBD, Kevin Skeek (EDC), and Kate Hein (EDC).

Police Chief Candidates Derek Bos, Eric Hurtado, and Thomas Radke, as well as their wives, were in attendance and introduced themselves.

### PERSONS TO BE HEARD

Esther Ashton provided updates on WCA funding; WCA recently received a grant for the library in the amount of \$10,000 for digitizing and the Alaska Digital Library Service; another grant for Catholic Community Services was received for \$113,000 over 3 years; last funding source was through SEARHC.

WCA asked for suggestions and applications for funding and was able to grant money to 12 different organizations.

Prysunka expressed appreciation for all that WCA was doing for the community.

Von Barga also stated that Ms. Ashton had received a scholarship to be the first Tribal Administrator to go to the Municipal Manager's Conference at AML this year.

### AMENDMENTS TO THE AGENDA

Gilbert asked for item 13f to be moved up to 13a to respect the USFS employees' time. There were no objections from the Assembly.

CONFLICT OF INTEREST- None.

### CONSENT AGENDA

- a. Assembly Minutes - Regular from October 22, 2019

***M/S: Gilbert/DeLong to approve the Consent Agenda, as presented. Motion approved unanimously by polled vote.***

### BOROUGH MANAGER'S REPORT

Von Barga provided an update on the Police Chief interview process and the updated Personnel Regulations process. The next update will happen after the first of the year to bring to the Assembly.

The various reports were noted. Gilbert questioned the Hazard Mitigation Plan and if the approved version included the most recent changes. Economic Development Director Carol Rushmore was present to state that she would be getting a copy of the finalized draft to compare.

Martin Hutten with the USFS provided the following updates:

- The recent Roadless Rule meeting was well attended and there was a lot of feedback.
- The fall guide meetings were held last week.
- The Anan Master Plan is a priority right now.
- The recent RAK meeting was cancelled due to a conflict with the Roadless Rule meeting and the next meeting will be held in January.
- The abandoned vehicle situation was updated, as the current Ranger has visited the sites and knows what the situation is now.

Shane Levesque, Levesque Law Group, was present to update the Assembly on the Personnel Regulations; last development was 2013; this will bring the Borough up to date on current law and situations, as well as reviewed for parity between this and the Collective Bargaining Agreement.

Levesque also reviewed the Social Media policy in development. Prysunka asked if that would include elected officials and appointed board members. Levesque said that it is currently under development as to where this would live, but would definitely apply to volunteers. Gilbert noted that they have Borough-issued computers and should be signing an agreement for their use. Gilbert also asked if there was a provision to look at cell phones after an accident to see if those played a factor. Levesque stated that he would review the law regarding this. Von Bargaen clarified the definition parity between the Personnel Regulations and CBA. Gilbert asked if a temporary employee would also be able to be on the Contractor's List and what would constitute a conflict of interest.

Prysunka asked for an update on the water main break issue on the hill a couple of weeks ago. Public Works Director Rolland Howell was able to provide an update on cutting and/or patching the old valve. No one was aware that it was still active. There is a temporary patch on it that has the leak to a trickle for now, but it will need to be permanently fixed. Howell stated that there would need to be a shut down to the whole town for a couple of hours to complete this.

#### BOROUGH CLERK'S FILE

Clerk Lane's report was provided.

#### MAYOR AND ASSEMBLY BUSINESS

Gilbert attended the SEARHC advisory meeting and the CNA program graduated 6 students and will start a new program soon. Additional parking was obtained. A profit was gained for the 1<sup>st</sup> quarter and the online records program will be online soon. Larrabee added that the next CNA program will include students.

Morrison provided an update on the Nolan Center's new exhibit and encouraged people to attend.

Gilbert would like to see a robust program on debt collection to be developed. She would also like to see better ID for utilities and a quicker shut-off. Finance Director Joyce Mason stated that 50% has been returned when it is referred to collections. Morrison asked about the legality of shutting the utilities off during winter months.

Powell attended the SSRAA meeting and said that they were thankful to the City to a good meeting.

Prysunka attended the Roadless Rule meeting and was pleased with the attendance. He recommended that the Assembly come up with a statement reflecting the views of the Assembly. Prysunka will be visiting Washington DC to speak on the Senate Resource Committee (chaired by Senator Murkowski) on PILT and SRS. The travel will be paid for by the National Association of Counties and will not cost the Borough anything.

#### MAYOR AND ASSEMBLY APPOINTMENTS

##### **a. City Board and Commission Appointments (Annual)**

Hearing no objections, Mayor Prysunka appointed *Caitlin Cardinell to the Economic Development Committee.*

##### **b. SEAPA Board Appointments (1 voting and 1 alternate)**

Hearing no objections, Mayor Prysunka appointed Steve Prysunka as the voting member and Lisa Von Barga as the alternate.

##### **c. Nomination to the Southern Southeast Regional Aquaculture Association (SSRAA) Board**

This item was struck as SSRAA would like to do their own choosing and appointment.

#### PUBLIC HEARING

**11a ORDINANCE No 970** REPEALING AND REENACTING CHAPTER 5.20 OF THE WRANGELL MUNICIPAL CODE RELATED TO THE PERMANENT FUND INVESTMENT POLICY, OBJECTIVES AND GUIDELINES

Mayor Prysunka declared the Public Hearing open for Ordinance No. 970 at 7:59 pm.

Gilbert asked about the inflation proofing formula. Morrison noted that the formula is flexible and will change as the situation changed.

Prysunka declared the Public Hearing closed on this item.

Clarification was provided by Von Barga.

***M/S: Gilbert/Morrison to postpone, to provide changes to Section 5.20.090 with regards to the inflation proof formula. Motion approved unanimously by polled vote.***

UNFINISHED BUSINESS – None.

#### NEW BUSINESS

**13a** Approval of Memorandum of Understanding with the US Forest Service for Site Preparation and Temporary Shelter to Preserve and Interpret the MV Chugach

***M/S: DeLong/Morrison to approve the Memorandum of Understanding with the US Forest Service for Site Preparation and Temporary Shelter to Preserve and Interpret the MV Chugach.***

Rushmore provided background on the MV Chugach and the project. She introduced Harvey Herget who is the engineer on the project. He provided additional background on the project. There is a limited amount of money and they would like to complete this quickly. Initially, they were going to do 30% of a permanent

structure, with the City providing the other 70%. However, if it is a temporary structure, they can make that happen. The commitment is to move forward and make it happen and begin a contract for a cradle.

Prysunka asked about the cover and Herget stated that the canvas cover would be able to be rolled up and open in the summer, and closed up in the winter. He stated that the manufacturer of the canvas cover state that the lifespan is 50 years. The anchor for the posts will be concrete blocks.

Gilbert asked about insurance as the Nolan Center policy doesn't cover insurance for loans. Herget didn't have a specific answer, but assumed that since it was USFS property, it would be their responsibility. Von Bargaen stated that she would confirm our General Liability coverage.

Von Bargaen stated that the staff recognize the Borough's position and will be finding funding sources for the observation decks. These decks will also provide an elevated view into the Marine Service Center for tourism.

Prysunka encouraged building a funding source to maintain this, including perhaps a ticketing system or part of the Transient Tax.

Herget also stated that part of the MOU asked to waive forward the boatyard fees so that the money went towards getting the boat in place. Larrabee asked if there was a timeline of completion and Herget said that they could add that.

Howell added that there is a major storm drain under the area where the Chugach will be and that could affect the foundation.

***Motion approved unanimously by polled vote.***

**13b RESOLUTION No 11-19-1499** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE CIP FUND ACCEPTING A LOAN IN THE AMOUNT OF \$3,821,000 AND A GRANT IN THE AMOUNT OF \$3,161,000 FROM THE UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, FOR THE WATER TREATMENT PLANT IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE

***M/S: Powell/Gilbert to approve Resolution No. 11-19-1499. Motion approved unanimously by polled vote.***

**13c RESOLUTION No 11-19-1500** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AMENDING THE FY 2020 BUDGET IN THE CIP FUND ACCEPTING A GRANT IN THE AMOUNT OF \$2,996,953 FROM THE UNITED STATES ECONOMIC DEVELOPMENT ADMINISTRATION FOR THE WATER TREATMENT PLANT IMPROVEMENTS PROJECT AND AUTHORIZING ITS EXPENDITURE

***M/S: DeLong/Larrabee to approve Resolution No. 11-19-1500. Motion approved unanimously by polled vote.***

**13d RESOLUTION No 11-19-1501** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE INDUSTRIAL CONSTRUCTION FUND INCREASING THE AUTHORIZED EXPENDITURE IN THE ENVIRONMENTAL COSTS ACCOUNT IN THE AMOUNT OF \$10,780 FOR CONTAMINATED SITES WORK PLAN DEVELOPMENT

***M/S: Gilbert/DeLong to approve Resolution No. 11-19-1501. Motion approved unanimously by polled vote.***

**13e RESOLUTION No 11-19-1502** OF THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA, CALLING ON THE GOVERNMENT OF BRITISH COLUMBIA TO ACT IMMEDIATELY TO PROTECT THE TRANSBOUNDARY STIKINE WATERSHED AND ALL WHO DEPEND ON IT FROM THE IMPACTS OF CANADIAN MINING PROJECTS

***M/S: Powell/Morrison to approve Resolution No. 11-19-1502. Motion approved unanimously by polled vote.***

**13f RESOLUTION No 11-19-1498** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING THE FY 2020 BUDGET IN THE HARBOR FUND BY ACCEPTING UNBUDGETED REVENUE FROM THE SALE OF THE 65' ALUMINUM GANGWAY IN THE AMOUNT OF \$8,500 AND AUTHORIZING ITS EXPENDITURE; AND AMENDING THE HARBOR FUND AND THE COMMERCIAL FISHING INFRASTRUCTURE REPLACEMENT FUND ACCEPTING RAW FISH TAX REVENUE IN THE AMOUNTS OF \$68,154.40 AND \$216,314.17 RESPECTIVELY

***M/S: DeLong/Powell to approve Resolution No. 11-19-1498. Motion approved unanimously by polled vote.***

**13g** Approval of Renewal of Memorandum of Understanding between the Wrangell Cooperative Association and the City and Borough of Wrangell

***M/S: Gilbert/DeLong to approve the Renewal of the Memorandum of Understanding between the Wrangell Cooperative Association and the City and Borough of Wrangell***

Gilbert asked about a typo in Section 4(b) regarding mis-lettering. Von Bargaen stated that we can change that without sending it back to the tribe.

Von Bargaen stated that in the same section under (e), WCA struck the words "to the maximum degree possible." The word notify was mistakenly left off and so the intent was for the Borough to always notify and confer with and will be corrected. It was not an intent to take anything away from WCA.

***Motion approved unanimously by polled vote.***

**13h** Approval to Dispose of City Surplus Property in Conformance with Wrangell Municipal Code Section 5.10.060 and Authorization of the Borough Manager to Dispose of any Surplus Property Not Purchased during the Sale

***M/S: Gilbert/Morrison to approve the disposition of surplus property in conformance with Wrangell Municipal Code Section 5.10.060 and to authorize the Borough Manager to dispose of any City Property not Purchased during the Sale. Motion approved unanimously by polled vote.***

**13i** Approval of the Purchase of a Used Replacement Dump Truck for Public Works from Transport Equipment Inc. in the amount of \$49,900

***M/S: Gilbert/Morrison to approve the Purchase of a used Replacement Dump Truck for Public Works from Transport Equipment Inc. in the amount of \$49,900***

Larrabee asked about the update and the amount of miles on the vehicle. Howell stated that there were 197K original miles and then an engine rebuild will 200+ miles after the rebuild.

Powell asked about the report on the tensile strength of the bracket to rebuild and for verification of the plan to weld them. Mechanic Lorne Cook spoke to the questions regarding the recommendations from the seller. Questions were asked about the frame and the bracket as well as the FMCSA and CFR guidelines.

Prysunka stated that he was looking for the mechanism through the company by which to find the answer to how to fix this.

Gilbert stated that she was concerned about in-house altering and modifying the manufacturer's parts. Prysunka stated that is why he was asking the question that he was.

Von Bargaen stated that the staff does a walkaround inspection every time that they use a vehicle and that this was found during the routine walkaround and was immediately put into the shop. Von Bargaen also stated that at the original time it was mentioned, there were also issues with a seal.

Gilbert asked **Lorne Cook, Mechanic**, about contacting Mack and their response. Cook stated that he had contacted Mack and the Lead employee had stated that he would get back to him in writing. Cook confirmed that the dump truck would be delivered via barge in Seattle.

Larrabee asked if the dump truck has been inspected by a third-party mechanic and Howell stated that it had not been. Howell also stated that the hold on the truck would come off for us tomorrow.

Cook clarified his procedure regarding the response and it would go to Von Bargaen through Howell.

Powell asked if there were any warranties offered and Howell stated that he would ask.

***Amended M/S: Gilbert/Morrison to approve the Purchase of a used Replacement Dump Truck for Public Works from Transport Equipment Inc. in the amount of \$49,900 pending a standard modification/repair by qualified MACK engineers.***

Prysunka clarified that with the amendment if the answer is affirmative and there is sufficient inspection and warranty, Von Bargaen can authorize the purchase. Prysunka also asked for clarification on what else is wrong with the dump truck.

Von Bargaen stated that there will be a plan with staff to inspect vehicles that could be rented from within the community.

***Amended Motion approved by polled vote with Mayor Prysunka voting no.***

***Motion approved by polled vote with Mayor Prysunka voting no.***

#### ATTORNEY'S FILE

**14** Available for Assembly review in the Borough Clerk's office.

#### EXECUTIVE SESSION

**15** **Executive Session** – None.

Regular Assembly meeting adjourned at 9:22 p.m.

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Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, MMC, Borough Clerk

# City and Borough of Wrangell

## Capital Facilities Department Report

### December 6, 2019

#### **Facilities Service & Maintenance** - Capital Facilities provides service and maintenance to City and Borough of Wrangell facilities.

- **Facilities Work Order Management.** Work orders are coming into the Capital Facilities Department either as a Preventive Maintenance (PM) scheduled work order or as a Reactionary Maintenance and Repair (Non-PM) work order. Below is a summary of the maintenance and repair work order tasks tracked by our CMMS maintenance software:

Preventive Maintenance (PM) scheduled work orders. October – November 2019:

- City Hall: 6 PMs issued, 2 of which have been completed.
- Community Center: 7 PMs issued, 3 of which have been completed.
- Power Plant: 20 PMs issued, 10 of which have been completed.
- ML&P Administrative Building: 6 PMs issued, 3 of which have been completed.
- Fire Substation: 2 PMs issued, 2 of which have been completed.
- Harbor Office: 14 PMs issued, 12 of which have been completed.
- Library: 9 PMs issued, 6 of which have been completed.
- Nolan Center: 28 PMs issued, 11 of which have been complete.
- Public Safety Building: 12 PMs issued, 6 of which have been complete.
- Public Works Complex / Garage: 14 PMs issued, 7 of which have been complete.
- Solid Waste Transfer Station: 6 PMs issued, 3 of which have been complete.
- Senior Center: 3 PMs issued, 1 of which have been complete.
- Swimming Pool: 27 PMs issued, 12 of which have been complete.
- Wastewater Treatment Plant: 15 PMs issued, 7 of which have been complete.
- Water Treatment Plant: 13 PMs issued, 6 of which have been complete.

Many of the PM work orders completed are those that routinely occur weekly and/or monthly which have been completed by an assigned department staff who work in those buildings daily and who have taken on some of these routine equipment inspection tasks (i.e. eyewash stations, emergency lights, exit lights, fire extinguisher checks, etc.)

As we prioritize the changing daily demands of the maintenance department, our staff are tackling the higher priority PM work i.e. hot water heaters, backflow preventers, boilers, compressors, filter replacement, etc., as the daily reactionary tasks allow. As previously mentioned, many of the PM tasks turn into larger repair or replacement projects, requiring significant staff time to address. Due to the breadth of the maintenance needs, many PM work orders may go unattended until their next scheduled issue.

Below are a few highlights of more significant facility maintenance and repair projects:

- **Garage (City Shop)**

- **Garage Waste Oil Burner/Heater.** The waste oil heater used to heat the garage requires daily maintenance to ensure it is efficient and in clean burning operation. Maintenance staff, who used to maintain this task daily when they were based out of the Public Works complex, have shifted these routine, daily tasks to the garage staff since they can be performed easily and the mechanics are in that space daily. These heaters require daily monitoring and adjustment of manual controls of oil and air pressure to compensate for the inevitable changes in fuel viscosity as different types of waste oil are added to the fuel storage tank. The oil used to fuel this heater comes from the waste oil collected at the harbors where there is no control over what material is placed in the tank. This creates vulnerability with the unknown mix of marine-related “material” deposited by the public. With this, we receive a lot of sludge-laden oil which creates problems with this heater unit. We are exploring whether or not an upgrade in the waste oil centrifuge will improve separation of the unwanted waste oil contaminants.
- Contractor services have been secured to address roof leaks and problem with a failed mounting of an entry awning.
- **Garage Wallboard Asbestos.** The FY20 Garage budget includes funds to address potential asbestos in the interior wallboard. While we understand staff were told the wallboard had an asbestos content in it, recently asbestos testing confirms that there is 39% Chrysotile, which appears to be the most commonly used form of asbestos in building materials. Staff will be working to identify the appropriate abatement measures to correct this workplace hazard.

Materials containing asbestos should be either be encapsulated or removed, and it is recommended that the work carried out reduce disturbance of the asbestos fibers. Until a solution has been implemented, CF has requested that all Public Works’ personnel be given clear direction that no work is to be performed that would puncture, cut, or otherwise expose the fibrous materials of the wallboard and cause them to become airborne.

The necessary abatement of this wallboard will delay the reconstruction of the mechanics’ office due to the presence of the same wallboard in the expansion area.

- **City Hall.** A variety of upgrades have occurred in the past couple of months at City Hall. They include the following:
  - Bathroom improvements with new flooring toilets’ repair and replacement, vanity install. The need for this work originated with problems with 40+ year old flooring that had deteriorated and became problematic to clean.
  - The gypsum wallboard in the Finance Director’s office was repaired and painted due to its poor aesthetic condition.
  - Faulty exterior doors locksets are being replaced.

- Roof exhaust vents in Borough Manager's office have been leaking for some time. CF staff recently removed the one most problematic vent, which had rusted through due to moss build up on the roof. We were able to find the same roofing profile (and color) in town allowing the roof to be properly patched at this roof penetration location. There are three additional vent exhausts in that area that will be replaced and the roof patched in the near future. The roof at City Hall, much like we saw at the Nolan Center, needs to be power washed to remove the moss build-up to preserve the roof coating and metal panel.
- A former boiler exhaust vent that was not properly modified when the boiler was removed from the building has also shown signs of deterioration at the roof penetration. This area will also be addressed for proper roof repair.
- In advance of the City Hall main computer server replacement, the Finance Director asked that a dedicated circuit be added in the server room. After looking at the electrical panels (of which there are four in the building) and the lack of panel labels, the decision was made to develop a panel schedule. Through this effort, a significant number of electrical system deficiencies were identified, which require immediate attention. This work will be done in a specific sequence, or phases, in order to modify and accommodate loads between panels.

A budget amendment may be requested to address the myriad unanticipated maintenance and repair work required for the City Hall building.

- **Fire Substation (at 5-Mile).** A variety of repairs have recently been performed at the Fire Substation. They include the following:
  - Replaced corroding plumbing pipes/fittings and certain fixtures in the apartment bathroom. Additional plumbing fixtures may need to be replaced in the near future.
  - A former boiler exhaust vent that was not properly modified when the boiler was removed has also shown signs of deterioration at the roof penetration, much like at City Hall, and has been found to be leaking. Contractor services have been secured to address this roof leak and identify the necessary roof repair.
- **Power Plant.** During a preventive maintenance effort to the unit heater in the main generators' housing area of the Power Plant, the unit was found to be compromised. It was apparent that the unit had been modified at some earlier date in an attempt to increase the output. This created an over fire scenario, causing too much heat, which caused the unit to started buckling and eventually split the internal fire box.

A decision was made to not replace this heater at this time, until more is known about a future rehabilitation/replacement of this building. ML&P staff have suggested that the heat from the generators, if provided with adequate air management would keep the building temperatures in the winter at a reasonable working temperature. With that, and in an effort to be able to push the warm air down from the ceiling, two 8' diameter ceilings fans were ordered. The fans have arrived and will be installed as soon as their backordered drop parts arrive.

- **Public Safety Building Radiant Heat Control Valves.** Due to the inoperable thermostats on the radiant heat units, we determined we could replace those with a thermostatic radiator valve to return proper control to these units. We began this project in October, as staff has had the time

to dedicate to this project. We will continue to replace all valves until all radiant heat units have operable temperature control. The cost of the replacement valves is \$85 each, and they will provide better heat control to each room's occupant. It is important to note that the radiant heating system is supplemental heat to that served by the forced air HVAC heating and air system, which has a multitude of operational issues rendering it difficult to manage and provide adequate control of the air flow and temperature controls.

- **Nolan Center Interior Lighting.** Many lamps throughout the building have been burned out and in need of replacement. All of the original building fixtures called for halogen lamps. Where possible, we are replacing burned out halogen lamps with appropriate LED lamps in the Civic Center, Lobby and Gift Shop.
- **Nolan Center's Broken Sprinkler Head / Water Damage Remediation.** Following water damage due to a broken sprinkler head in July, all repair work, save for casework trim and flooring repairs in the Gallery remain to be completed. As total repair costs are confirmed, a budget amendment for the Nolan Center's Facility Maintenance & Repair account may be required.
- **Nolan Center's Standby Generator's Inspection and Operations Testing.** With the assistance of Municipal Light & Power diesel generation staff and a Kohler Generator technician and operational testing, the generator was found to be running 100% as designed; however, it was discovered that the transfer switch racking mechanism (allows the building to return to grid power after running on power generation) was removed and cannot be located. WML&P are in the process of ordering a new handle to operate the racking mechanism. We are still waiting for the device, which will aid us in performing a loss of grid power function test for the building.

Engineering assistance may further be required to perform a comprehensive site evaluation related to the building's power needs and its current vulnerabilities, since the Nolan Center has been identified as a critical facility, serving as a disaster response and recovery facility. Emergency power needs for the facility serving in this capacity will be assessed based on code requirements and on the essential services that should be maintained in order for the facility to maintain its critical functions. If the existing generator ill not support the electrical load identified for the building to serve as a disaster response and recovery facility, a generator of higher capacity may be required.

## **Capital Improvement Projects - Capital Facilities provides management of capital improvement projects and major maintenance to City and Borough of Wrangell facilities and infrastructure.**

### **GENERAL FUND PROJECTS**

- **Nolan Center HVAC Direct Digital Controls System Upgrades.** The Meridian Systems technical team was in Wrangell during the weeks of November 11<sup>th</sup> and 18<sup>th</sup> and completed the DDC temperature controls upgrade project. The Capital Facilities staff received the necessary training for system operational and control and will be providing the same to Nolan Center staff once the final graphic screens are finalized. Because this new system is cloud-based, staff now have the ability to log into the system from a remote location and view control settings and make adjustments as necessary. Having the return of monitoring and control of the system through the DDC upgrade project has been a tremendous improvement for both the occupants of the

building and the health of the building, also contributing to industry standards for sound artifact preservation.

During this project, the Capital Facilities Maintenance Lead, Dwane Ballou spent much of two weeks' time with the Meridian Systems technician identifying the non-controls related issues with other HVAC system components. Some of these issues are listed below:

- Two concealed filter chambers were discovered above the drop ceiling. Filters in these two chambers were beyond their useful life, creating significant inefficiencies in air flow.
- Numerous fire dampers were identified to be non-functional.
- Humidifiers, both individual units and those built inside the air handling units, were identified to be non-functional.
- Zone valves are either leaking or non-functional
- Room humidity sensors are non-functional. Readings are inconsistent and have been identified as having bad electronic board, which require replacement.

All of these issues require many hours, and often days, to identify the problem, investigate and order necessary replacement parts, and then perform the repair or replacement. Some of these above bullet point concerns include extremely challenging access through the drop ceiling, where there are no catwalks to aid in accessing the mechanical components.

- **Cemetery's Columbarium Addition.** Project management and report provided by Public Works.
- **Public Safety Building Siding and Roofing Renovations.** With the belief that we have a good project design in hand, a third party construction cost estimate of the JYL design was performed by HMS. Staff had planned to use the estimate as a means to identify a variety of alternative scopes of work for the siding and roofing work and to make those alternative recommendations to the Wrangell Borough Assembly. The third party cost estimate, which included a couple of market conditions, which were vetted through the April 2019 competitive bidding process, places the funding need quite close to the one construction bid we received in April 2019.

Based on the information gathered and further consideration of the project need, at the public work session, held on Tuesday, December 3<sup>rd</sup> to review the status of this project, staff recommended to the Borough Assembly pursuit and funding of the entire siding and roofing work as designed by Jensen Yorba Lott in March 2019. Staff shared the news that Wrangell Cooperative Association, Wrangell's local tribal government, in an effort to partner with the CBW on priority projects for the Wrangell community, has submitted to the State of Alaska's EFLEA program a grant application for public safety funding for a portion of this project. WCA anticipates a response to their application by the end of January 2020.

Considering this timeline, it is the CBW's intent to review pursuit of the project once the success of WCA's grant is known. For pursuit of the project as currently designed, staff are already working with the designers to identify revisions to certain drawings and specifications based on discussions with contractors during the April 2019 bidding process in order to be able to issue a subsequent construction bidding solicitation soon after receiving full funding. This would allow an adequate amount of time for construction bidding outreach and contractor preparedness for an anticipated Spring 2020 project.

- **Public Safety Building Addressable Fire Alarm System Replacement.** Work has not yet commenced on this project. The first step will be to develop an RFP for electrical engineering design services, which may be combined with other projects with similar engineering needs.
- **Public Safety Building Heating System Piping Repairs.** Work has not yet commenced on this project.
- **Public Safety Building Oil-Fired Boiler Installation.** The oil-fired boiler installation is complete, and the electrical connections to the control panel have been made to provide system management through digital controls. Having the control works provides better efficiencies within the system than simply running with set points.

We ran the boiler a few days and realized that there are a few minor parts that need to be replaced (i.e. cylinder that opens the damper for high fire has lost its seal, likely from the number of years the boiler unit sat outside before being installed). These replacement parts will be ordered and installed by CF maintenance staff.

- **Swimming Pool's Domestic Hot Water Tank Replacement.** This project provides for the replacement of the Swimming Pool's deteriorated domestic hot water heater. The first step will be to develop an RFP for mechanical engineering design services, which may be combined with other projects with similar engineering needs.
- **Swimming Pool's HVAC System Upgrades, Phase III.** This project provides for the replacement of certain failed mechanical devices in the heating and cooling system. The first step will be to develop an RFP for mechanical engineering design services, which may be combined with other projects with similar engineering needs.
- **Kyle Angerman Memorial Playground Replacement.** The CBW just this week received the grant agreement from the State of Alaska, Dept of Natural Resources, Division of Parks & Outdoor Recreation who is the body administering the pass-through grant from the National Park Service. Staff are reviewing the terms and conditions of the grant agreement before requesting Borough Assembly approval of the grant funds and execution of the agreement and project.

#### **NORTH COUNTRY TRAILHEAD ACCESS ROAD REPAIR FUND**

- **North Country Trailhead Access Road Repair (Streets).** Staff have identified the road maintenance needs for the Spur Road for access to the North Country Trailhead for use in developing a competitive solicitation for the construction work. Additional tasks required in advance of the construction bidding includes working with the Federal Highways Administration on their required utility certification, right of way certification, and project certification, the last of which will include their full review and approval of the contract documents prior to issuing for competitive bidding of the construction work. Depending on the time necessary to complete the planning work, the work will be completed by Summer 2020.

#### **COMMERCIAL PASSENGER VESSEL EXCISE TAX FUND**

- **Mt. Dewey Trail extension FLAP Grant Match (Parks & Recreation).** Following completion of the NEPA process and an initial discussions with the USACOE for the trail project, a recent meeting

with the US Army Corps of Engineers had them recommending we proceed with design and submit Preconstruction Notification referencing a Nationwide Permit as applicable according to the conceptual or final design. The next step in this project is staff's development of a competitive solicitation for engineering design.

- **City Dock Summer Float (Ports and Harbors).** The Harbor Master has stipulated an arrival date for the new Summer Float in March 2019 in order to have it on site for force account decking install prior to its seasonal use. An Invitation to Bid, with full bidding documents, will be developed in order to meet this timeframe.
- **Petroglyph Beach Bathroom and Platform Improvements (Parks & Recreation).** This project provides for the constructed of a permanent year-round operational trailhead style bathroom. It also provides for certain repairs to the observation platform.

#### RESIDENTIAL CONSTRUCTION FUND

- **Borough-Wide Land Survey Project.** Regarding all three subdivision development projects listed below, the Planning & Zoning Commission will be reviewing the various subdivisions' alternatives in order to provide the Borough Assembly with a recommendation for each. The survey services solicitations for each site would be based on the final decision regarding the subdivision development.
  - Institute Phase I Subdivision Development Survey
  - 4-Mile Zimovia Highway Property Subdivision Development Survey
  - Etolin Street Foreclosed Lots Subdivision and Replat

#### INDUSTRIAL CONSTRUCTION FUND

- **5<sup>th</sup> and 6<sup>th</sup> Avenues Roadway Construction (Streets).** On September 11, 2019, the US Army Corps of Engineers issued a public notice of the reissuance of General Permit POA-2006-00215 (RGP-06) for the Wrangell Industrial Park Subdivision. This General Permit (GP) authorizes the placement of dredged and/or fill material, and structures, into wetlands associated with industrial development in the Wrangell Industrial Park Subdivision. Authorized activities include foundation pads, associated driveways, parking areas, and lot utilities for those subdivision lots yet to be developed. The GP is scheduled to expire on September 30, 2024. Following the Corps' public notice period, the CBW anticipates receiving the final reissuance of the permit.
- **Marine Service Center Survey and Replat (Ports and Harbors).** This survey project provides for the vacation of the existing platted Silvernail Drive ROW and the establishment of an access easement where the driving access is actually located through the Marine Service Center. The solicitation for this survey project will be combined with a couple of additional roadway survey projects as they are further identified.

#### ECONOMIC RECOVERY FUND

- **Mill Property Purchase.** Project management and report will be provided by the Borough Manager.

## WRANGELL MUNICIPAL LIGHT & POWER FUND

- **Case Avenue Electrical Distribution Line Rebuild Survey.** Based on the project needs and the difference in survey outcomes with other CBW-surveys scheduled to be performed, the case Avenue Rebuild Survey will be pursued as a separate survey project. The survey solicitation for this project will be developed for the purpose of identifying existing right-of way limits, existing electrical pole locations, and any existing utility easements that may exist. The solicitation will also include an additive alternate for the survey of the existing water and sewer mains, within the right-of-way, for use in a future water and/or sewer mains replacement project.
- **Power Generation Solution.** Project management and report provided will be provided by Municipal Light & Power. Certain aspects of the project, such as solicitation development, is being provided by Capital Facilities. Construction of three concrete pads, to support integral parts related to the additional 20-cylinder generator we acquired from Nome, is complete.
- **3MW Transformers Purchase Phase 1.** An Invitation to Bid solicitation was issued for the procurement of the 3MW Transformer and four bids were received on November 22, 2019. WML&P and CF staff will be reviewing the bids, with their technical responses, once the Electrical Superintendent returns from leave. Staff anticipate requesting an approval to award to the most responsive bidder at the January 14<sup>th</sup> regular Borough assembly meeting.
- **Generators' Exhaust Insulation Blankets.** Project management and report will be provided by Municipal Light & Power. Solicitation development assistance will be provided by Capital Facilities.
- **Powerhouse Roof Repairs.** This project has been postponed and replaced with the **Power Diesel Generation Plant (Power Plant) Rehabilitation** project (see status under FUTURE PROJECTS IN FUNDING PHASE / PLANNING PHASE listed projects) due to the expected future demolition of the concrete structural portion of the Power Plant.

## WATER FUND

- **Water Plant Bypass Line Valve Configuration.** Work has not yet commenced on this project.
- **Bennett Street Water Main Replacement.** The replacement of approximately 350' of 50-year old ductile iron pipe (DIP) water main was replaced by Secon on August 6th. Staff have received the Contractor's final closeout documents and are preparing to request final approval from DEC.

## UPPER RESERVOIR BYPASS FUND

- **Upper Reservoir Bypass.** Earlier this year, staff narrowed the CBW's preferred alternative for accessing the water in the upper reservoir to the *Spillway Trench with Siphon* option, in an effort to bypass the lower reservoir to the treatment plant. Before confirming that option as our preferred alternative, the engineers were queried as to limitations with this option. Staff's initial concern was related to limitations of accessing the full depth of the stored raw water. Although the engineer's modeling of the system looked like it would work, on paper, their level of confidence that this alternative would work was reduced given that this is not a normal siphon

scenario. They could not confirm the reliability of the model since there is no existing precedence for siphoning to a closed pipe system.

Since siphons are generally conveyed to an open-ended outlet, the discussion turned to siphoning to a downstream intake location; however, based on elevations and topography, the intake pool would likely need to be close to the toe of the dam, which is not ideal.

Under the premise that connecting to the pipe would not create a “closed system” since the draw from the plant would provide constant flow, the Water Department staff asked to revisit the design of the siphon connected directly to the pipe instead of into an open trench, or the intake pool. Last week we met with the project engineers and analyzed this idea again. With the engineers present, we also spoke with Karl Hagerman, Petersburg Utility Director, who experienced a pipe collapse some years ago with their Cabin Creek Waterline, a siphoned, 6-mile run of 24” HDPE waterline. He described the problem causing the pipe collapse as a vacuum from a change in flow resulting from algae growth on the interior of the pipe. Karl described how with proper engineering of the conveyance system with added mechanisms and procedures in place for routine interior pipe cleaning, they have been able to continue use of this line without further problem.

The water department, with the aid of White Enterprises and their recollection of where they installed a portion of bypass line during the late 1990s, or early 2000s, investigated the location of the existing pipe to be able to ascertain the condition of the pipe (there are no as-builts for this work). While the assumption has always been that both ends of the pipe installed were open-ended and capped, Todd White recalled that they had tied the bypass pipe into the waterline that leaves the lower reservoir and feeds the treatment plant. They found that connection to be true and exposed it and as well found the upper, open-ended terminus of that pipe. They also found that the line was installed with Ductile Iron Pipe (DIP) instead of what the engineered plans for the project specified, as High Density Polyethylene Pipe (HDPE). It is our understanding that with no funds to install the pipeline, the CBW, at that time, used what material was easy to install (the CBW did not acquire an HDPE pipe welding machine until around 2012).

With the camera, we could only access about 50’ of the upper terminus of the pipe, due to surface friction, and with that visual, the interior wall of the DIP appeared clean and smooth. We had discussed the possibility to camera the pipe through the air reliefs, but we could not get the camera to bend enough to make the turn, so we only have a look at the interior of the pipe through the upper terminus end. We are waiting for more favorable weather conditions to proceed with the water pressure test of the existing DIP, as the pipe will have to be filled from the upper, open end for the test.

Following the meeting with the engineers and Karl Hagerman, Shannon & Wilson and CRW have been asked to revisit their engineering alternatives analysis and return to us with a further analysis for the design of the siphon option considering best engineering practices for this delivery method. We anticipate their return with this information within the next two weeks.

## **WATER MAINS REPLACEMENT FUND**

- **Water Mains Replacement.** Following ADEC’s approval of our request for a grant extension through January 2021, an RFP for competitive selection for engineering design services is required as next steps for project development. CBW staff will be developing this solicitation.

## WATER TREATMENT PLANT IMPROVEMENTS FUND

- **Water Treatment Plant Improvements.** CBW staff met with the EDA Project Manager to review the grant requirements for financial accounting and reporting purposes, as well as those requirements to ready us for developing and issuing the Request for Qualifications (RFQ) for engineering design. USDA documents have recently been received and are being shared with EDA in an attempt to obtain concurrence from EDA that USDA's required documentation will serve as the preceding design engineering documents. Once these matters are finalized between the funding agencies, we will be able to fully understand what will be required for the design solicitation. Staff had hoped to complete the RFQ for engineering design by the end of December 2019; however, it is becoming apparent that this effort will likely take longer to complete.

## HARBOR FUND

- **Shoemaker Bay Harbor Replacement.** The final electrical inspection took place this week with the electrical contractor and the electrical engineer on site. The electrical contractor is completing the remainder of the punch list items. Work on the parking lot improvements began this week and is expected to be complete within two weeks' time, weather allowing. The boarding float is not expected to be delivered to Wrangell for installation until Spring 2020.
- **Harbors' Security System.** The Harbor Master spent time with a consultant, in Wrangell this week, to help identify the harbors' security needs and the system that will best deliver the products and service to meet those needs. The engineer is expected to provide information that will aid staff in planning for the project and developing a competitive solicitation for the implementation of the work.

## SEWER FUND

- **Reroute Node 6 Sewer Pump Station's Overflow Pipe.** Work has not yet commenced on this project.
- **Node 8 Sewer Pump Station Rehabilitation.** Work has not yet commenced on this project.

## SECURE RURAL SCHOOLS FUND

- **Area-Wide Sidewalk Replacement Project – Sidewalk Repairs at the Primary School Entrance.**

Sidewalk repairs at the Primary School entrance were completed in August 2019. In order to further project development, the remainder of the high school-related sidewalk replacement under this project will require discussions with the School District and Public Works regarding the possibility of significant traffic modifications and associated repair options.

## FUTURE PROJECTS IN FUNDING PHASE / PLANNING PHASE

- **Power Diesel Generation Plant (Power Plant) Rehabilitation.** After receiving PND Engineer's 2007 structural analysis report for the Power Plant's concrete section of the building, PND Engineers, along with their electrical, mechanical and environmental engineering subconsultants,

visited the site to perform an inspection and identifying as-built conditions to be able to assess options for a facility rehabilitation project.

Based on the engineers' report of the existing conditions, even given the option to demolish only the concrete section and rehabilitate the steel section, significant structural and code compliant rehabilitation would be required. Upon receiving this information, the CBW modified the scope of services with PND to eliminate a portion of the design development task originally requested of them until the CBW refines the potential alternatives for a rehabilitation project for which PND Engineers would provide a proposal for the development of a rough-order-of-magnitude concept planning cost estimates.

- **Bathymetry /Photogrammetry Survey of Water Reservoirs.**

In an effort to explore survey options for our water reservoirs, we have been discussing survey ideas (single-beam versus multi-beam, LiDAR, photogrammetry, etc.) with a hydrographic geophysical land survey group, TerraSond, who have offered to develop a solutions proposal with associated cost estimates of the various types of surveys tools available to help us achieve our survey goal, which would be to identify vegetation (tree stumps) and soft sediment, for a future removal project, for the purpose of gaining storage capacity in our reservoirs.

- **Skeet Range Improvements.** Wrangell Parks & Rec, in association with the Rod and Gun Club have been collaborating to accommodate the community's request for improved engagement, education and access to shooting sports in Wrangell.

Wrangell's former skeet range is in poor condition and needs significant improvements, which would provide for the return of that space for sporting clay events. At the suggestion of the Wrangell Gun and Rod Club, the CBW recently submitted a grant to the National Rifle Association (NRA), who recently provided approximately \$14,000 for improvement to the 100-yard and 300-yard shooting ranges, for another round of grant funding opportunity to improve the skeet range.

The scope of the project includes that work necessary to reestablish and improve the skeet range, create a formal parking area and procure skeet machines for the sporting activity.

## ENVIRONMENTAL REMEDIATION PROJECTS

The Alaska Department of Conservation (ADEC) has three CBW-owned properties listed as outstanding and open in their contaminated sites system. These are: 1) Former Wilcox Automotive, Hazard ID 26212; 2) Wrangell City Shop UST #3, Hazard ID # 26199; and 3) Wrangell Medical Center, UST #2 Hazard ID 26676.

Shannon & Wilson (S&W) is under contract with the CBW to provide environmental assistance with these sites. This week, CBW staff and S&W staff met with a DEC representative to review each site and the State's requirements for further, specific monitoring and/or testing required at each site. Based on the discussion, S&W will begin developing the Work Plan for each site and expect to have it ready for CBW review by late January, anticipating a submittal to DEC soon thereafter. Following DEC approval of the Work Plans, S&W would develop a cost for the CBW's review for in-field implementation of the monitoring and/or testing plans.

# CITY & BOROUGH OF WRANGELL, ALASKA

## *CLERK'S FILE*

### SUBMITTED BY:

Kim Lane, Borough Clerk

### Upcoming Meeting/Informational dates:

- 12-12     Planning & Zoning Commission Mtg. @6pm in the Assembly Chambers
- 12-25     Christmas Day
- 12-26 thru 1-2     City Hall will be closed to the general public so that the annual maintenance and records transfer can take place.

SEAPA Board Meeting (Regular): Scheduled for December 11<sup>th</sup> in Ketchikan

Clerk's vacation: I will be away on vacation from Wednesday, December 11<sup>th</sup> and will return on Monday, December 23<sup>rd</sup>. While I am away, Aleisha Mollen will act as Deputy Clerk.

# CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>10</b>

Appointment to the Planning & Zoning Commission

SUBMITTED BY:

Kim Lane, Borough Clerk

FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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**Amount Budgeted:**

	FY20 \$XXX
--	------------

**Account Number(s):**

	XXXXXX XXX XXXX
--	-----------------

**Account Name(s):**

	Enter Text Here
--	-----------------

**Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS:

Letters of Interest received from:

1. Jillian Privett

Mayor Prysunka makes the appointment with the consent of the Assembly.

**Mayor:** If there are no objections, I will appoint \_\_\_\_\_ to fill the vacancy on the Planning & Zoning Commission with the term expiring October 2021.

**Recommended Action if not approved with the consent of the Assembly:**

***Motion: Move to appoint \_\_\_\_\_ to fill the vacancy on the Planning & Zoning Commission with the term expiring October 2021.***

**Note: the vacancy on the Planning & Zoning Commission is due to a member missed the maximum allowed meeting that a Commissioner can miss in a given year. The member was notified by mail that if they wanted to still remain on the P&Z Board, that they could submit a letter of interest to be considered for the appointment. I did not receive a letter from this member.**

Dear Mr. Mayor,

I'm writing this letter today in regards to the vacancy on the planning and zoning board.

I've never been part of a city committee before and am not familiar with the rules/order of a city meeting, but I am more than confident that I will adapt quickly.

Wrangell has zoned off a large part of my heart and I'd like to be part of the process that keeps our island progressing for years to come.

More than anything I believe it's my time to step up to the plate and be part of my community more than just the casual rant or good idea on Facebook.

You can count on me to be on time, fully focused on the task at hand, non-partisan, and present for all meetings/engagements. I realize how important it is to have a quorum, especially since planning/zoning is often the first step in a person's building, new business, or construction plans.

I would really appreciate the opportunity to sit on the planning & zoning committee and the opportunity to be a part of keeping Wrangell moving to the future.

Sincerely,

Jillian V. Privett

Jillian Privett

PO BOX 585

Wrangell, AK 99929

#907-305-1095

**CITY & BOROUGH OF WRANGELL, ALASKA  
BOROUGH ASSEMBLY Public Hearing AGENDA STATEMENT**

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>11</b>

**ORDINANCE No 970** REPEALING AND REENACTING CHAPTER 5.20 OF THE WRANGELL MUNICIPAL CODE RELATED TO THE PERMANENT FUND INVESTMENT POLICY, OBJECTIVES AND GUIDELINES

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$0 Total

FY 20: \$0

FY 21: \$0

FY22: \$0

**Amount Budgeted:**

FY20 \$N/A

**Account Number(s):**

N/A

**Account Name(s):**

N/A

**Unencumbered Balance(s) (prior to expenditure):**

\$N/A

Reviews/Approvals/Recommendations

☐ Commission, Board or Committee

Name(s)

Name(s)

☐ Attorney

☐ Insurance

ATTACHMENTS: 1. Ordinance 970.

**MAYOR PROCEDURE:** Declare the Public Hearing open. The Mayor shall ask if there is any administrative report on the Public Hearing Item. Persons who signed up to talk on this item shall be called to the podium.

Once all persons have been heard, declare the Public Hearing closed and entertain a motion.

*This item was postponed from the November 12, 2019 Assembly Meeting.*

**RECOMMENDATION MOTION:**  
Move to approve Ordinance No. 970.

**SUMMARY STATEMENT:**

Concerns were expressed at the November 12<sup>th</sup> meeting that the ordinance did not satisfy the requirement outlined in the Charter that a formula for inflation-proofing the fund is established in the code. Highlighted in blue in the ordinance are new words including “formula” associated with inflation proofing by the Consumer Price Index.

The remainder of this summary statement is unchanged from previous meetings.

Several minor modifications were requested during the first reading of the ordinance. Those changes have been made and are highlighted in the ordinance in yellow. Assembly member Gilbert also asked if the Ordinance addresses the Charter provision requiring the fund be inflation-proofed and have an inflation formula. Administration believes that issue is addressed in Section 5.20.090 (1) where inflation-proofing is specifically addressed.

The remainder of this agenda statement remains unchanged from the October 22<sup>nd</sup> meeting.

The City & Borough of Wrangell has hired a new investment manager for the Permanent Fund, Alaska Permanent Capital Management (APCM). A review of Chapter 5.20 of the Wrangell Municipal Code related to the Permanent Fund Investment Policy, Objectives and Guidelines by the Assembly, Administration and APCM revealed the need for substantive changes to the code. Administration worked with APCM staff to develop the proposed revisions in Ordinance No. 970.

Substantive changes include:

1. Reporting is required monthly instead of quarterly.
2. The absolute rate of return and annual deposit percentage into the General Fund have been changed to correspond with the strategic asset allocation of the fund and inflation, respectively, rather than tied to strict percentages.
3. A completely new section was added at the Borough Manager’s request requiring a vote of the people prior to any draw down of the corpus of the Fund.
4. Asset allocations descriptions have had the most changes. It is better to read it in the ordinance that outline in the agenda statement.
5. Again at the Borough Manager’s request, an annual review of the investment policy is now required annually within 60 days of the close of the fiscal year, rather than keeping the original language, “...the Borough plans to review...”

The Charter of the CBW also includes a provision regarding the Permanent Fund. It is copied below. Nothing in the proposed ordinance conflicts with the Charter provision.

*Wrangell Charter*

*Section 5-16 Borough Permanent Fund.*

*There is a Borough Permanent Fund, which was initially created in 1997 by the City of Wrangell in the amount of \$5,000,000 from Southeast Economic Timber Relief Funds. The principal of this fund*

*will be maintained and grow through wise investment and inflation proofing. There shall be ordinances for the administration of this fund, which shall include restrictions of types of investments, expenditure of earnings, inflation formula, and all other administrative functions necessary to insure the security of this fund.*

Following adoption of the ordinance APCM can begin active management of the Permanent Fund.

Administration will follow with a review of the language for management of the Pool Fund and provide recommendations for amendments to the Assembly.

While in Anchorage for meetings earlier in October, the Finance Director and Borough Manager met with APCM staff about the Permanent Fund and the future investment of the Borough's operating funds. This will be the topic of a work session in the near future.

CITY AND BOROUGH OF WRANGELL, ALASKA  
ORDINANCE NO. 970

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, REPEALING AND REENACTING CHAPTER 5.20 OF THE WRANGELL MUNICIPAL CODE RELATED TO PERMANENT FUND INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are bolded and in brackets are to be deleted.]

SEC. 1. Action. The purpose of this ordinance is to repeal and reenact Chapter 5.20 of the Wrangell Municipal Code related to the Permanent Fund Investment Policy, Objectives and Guidelines.

SEC. 2. Repeal & Reenactment. Chapter 5.20 of the Wrangell Municipal Code is hereby repealed in its entirety and reenacted as follows:

CITY AND BOROUGH OF WRANGELL PERMANENT FUND

Sections:

- 5.20.010 Scope of investment policy.
- 5.20.020 Investment policy statement.
- 5.20.030 Delegation of authority.
- 5.20.040 Definitions.
- 5.20.050 Assignment of responsibility.
- 5.20.060 General investment principles.
- 5.20.070 Investment management policy.
- 5.20.080 Investment objectives.
- 5.20.090 Specific investment goals.
- 5.20.095 Distribution of permanent fund earnings.
- 5.20.096 Withdrawal of corpus.
- 5.20.100 Definition of risk.

5.20.110 Liquidity.

5.20.120 Marketability of assets.

5.20.130 Investment guidelines.

5.20.140 Selection of investment managers.

5.20.150 Investment manager performance review and evaluation.

5.20.160 Investment policy review.

5.20.010 Scope of the investment policy.

This investment policy reflects only investment policy, objectives, and constraints of the permanent fund and does not amend or change any of the policies for investment of borough general funds herein above.

5.20.020 Investment policy statement.

This statement of investment policy is set forth by the City and Borough of Wrangell regarding its permanent fund in order to:

- A. Define and assign the responsibilities of all involved parties.
- B. Establish a clear understanding for all involved parties of the investment goals and objectives of plan assets.
- C. Offer guidance and limitations to all investment managers regarding the investment of plan assets.
- D. Establish a basis for evaluating investment results.
- E. Manage plan assets according to prudent standards as established in common trust law.
- F. Establish the relevant investment horizon for which the plan assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

5.20.030 Delegation of authority.

The City and Borough of Wrangell is a fiduciary, and is responsible for directing and monitoring the investment management of plan assets. As such, the City and Borough of Wrangell will from time to time delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

A. Investment Management Consultant. The consultant may assist the City and Borough of Wrangell in establishing investment policy, objectives, and guidelines; selecting investment managers; reviewing such managers over time, measuring and evaluating investment performance, and other tasks as deemed appropriate.

B. Investment Manager. The investment manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the plan's investment objectives.

C. Custodian. The custodian will physically (or through agreement with a subcustodian) maintain possession of securities owned by the plan, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the plan accounts.

D. Additional specialists such as attorneys, auditors, actuaries, retirement plan consultants, and others may be employed by the City and Borough of Wrangell to assist in meeting its responsibilities and obligations to administer plan assets prudently.

The City and Borough of Wrangell will not reserve any control over investment decisions, with the exception of specific limitations described in these ordinances. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate.

If such experts employed are also deemed to be fiduciaries, they must acknowledge such in writing. All expenses for such experts must be customary and reasonable, and will be borne by the plan as deemed appropriate and necessary.

#### 5.20.040 Definitions.

A. "Plan" shall mean the City and Borough of Wrangell permanent fund.

B. "The City and Borough of Wrangell" shall refer to the borough assembly which shall administer the plan as specified by applicable ordinance.

C. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over fund management or any authority or control over management, disposition or administration of the plan assets.

D. "Investment manager" shall mean any individual, or group of individuals, employed to manage the investments of all or part of the plan assets. The investment manager may also act as the Investment management consultant.

E. "Investment management consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring. The investment management consultant may also act as the investment manager.

F. "Securities" shall refer to the marketable investment securities which are defined as acceptable in this statement.

G. "Investment horizon" shall be the time period over which the investment objectives, as set forth in this statement, are expected to be met. The investment horizon for this plan is 20 years.

H. "Corpus or principal" shall mean the original investment creating the Permanent Fund and all inflation-proofed earnings, not annually deposited into the general fund.

#### 5.20.050 Assignment of responsibility.

A. Responsibility of the Investment Managers. Each investment manager must acknowledge in writing its acceptance of responsibility as a fiduciary. Each investment manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the investment managers include:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Reporting, on a timely basis, **[quarterly]** ~~monthly~~ investment performance results.
3. Communicating any major changes **[to]** ~~in~~ economic outlook, investment strategy, or any other factors which affect implementation of investment process, or the investment objective progress of the plan's investment management.
4. Informing the City and Borough of Wrangell regarding any qualitative change to investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies, if requested by the City and Borough of Wrangell, on behalf of the plan, and communicating such voting records to the investment committee on a timely basis.

B. Responsibility of the Investment Consultant. The investment consultant's role is that of a nondiscretionary advisory to the investment committee of the City and Borough of Wrangell. Investment advice concerning the investment management of plan assets will be offered by the investment consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement and by resolution. Specific responsibilities of the investment consultant include:

1. Assisting in the development and periodic review of investment policy.
2. Conducting investment manager searches when requested by the investment committee.
3. Providing "due diligence," or research, on the investment manager(s).
4. Monitoring the performance of the investment manager(s) to provide the investment committee with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, manager research, and manager performance to the investment committee.
6. Reviewing plan investment history, historical capital markets performance and the contents of this investment policy statement to **[any newly appointed]** members of the investment committee.

#### 5.02.060 General investment principals.

- A. Investments shall be made solely in the interest of the beneficiaries of the plan.
- B. The fund shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent **[man] person** acting in like capacity and familiar with such matters would use in the investment of a fund of like character and with like aims.
- C. Investment of the fund shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
- D. The City and Borough of Wrangell may employ one or more investment managers of varying styles and philosophies to attain the fund's objectives.
- E. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

#### 5.02.070 Investment management policy.

A. Preservation of Capital. Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

B. Risk Aversion. Understanding that risk is present in all types of securities and investment styles, the City and Borough of Wrangell recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the plan's objectives. However, the investment managers are to make reasonable efforts to control risk, and will be **evaluated [regularly]annually** to ensure that the risk assumed is commensurate with the given investment style and objectives.

C. Adherence to Investment Discipline. Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated **[regularly]annually** for adherence to investment discipline.

#### 5.02.080 Investment objectives.

In order to meet its needs, the investment strategy of the City and Borough of Wrangell permanent fund is to emphasize total return, that is, the aggregate return from capital appreciation and dividend and interest income.

A. Specifically, the primary objective in the investment management for plan assets shall be:

1. Preservation of Purchasing Power After Spending. To achieve returns in excess of the rate of inflation plus spending over the investment horizon in order to preserve purchasing power of plan assets. Risk control is an important element in the investment of plan assets.

B. The secondary objective in the investment management of plan assets shall be:

1. Long-Term Growth of Capital. To emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

#### 5.20.090 Specific investment goals.

A. Over the investment horizon established in this statement, it is the goal of the aggregate plan assets to exceed:

1. **A[n absolute] reasonable** rate of return will be [of nine and one-half percent] aligned with the strategic asset allocation of the permanent fund. This rate of return

and the corresponding strategic asset allocation will satisfy **[five and one-half percent]** the amount to be deposited annually in the City and Borough of Wrangell's general fund, **including the inflation proofing formula as determined by the consumer price index for the United States and the Fund Growth objectives. [ three percent inflation as determined by the consumer price index for Anchorage and one percent growth objectives.]**

B. The investment goals above are the objectives of the aggregate plan[,], and are not meant to be imposed on each investment account. The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the investment committee that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

**[C. Specific investment goals and constraints for each investment manager, if any, shall be incorporated as part of this statement of investment policy. Each manager shall receive a written statement outlining his specific goals and constraints as they differ from those objectives of the entire plan.]**

5.20.095 Distribution of permanent fund earnings.

The distribution of permanent fund earnings shall be as follows:

**[A. The fund shall be protected from inflation by returning to the fund the amount of inflation from the previous calendar year. The percent of inflation shall be calculated by the percent change in the Anchorage Consumer Price index from December 31st of one year to December 31st of the next year. The amount that should be in the fund through inflation proofing is cumulative from November 1, 1997. Any amount above the accumulation of the annual inflation may be distributed to the general fund. In the event that there is not enough earnings to inflation proof the fund in a given year, no funds may be distributed-until the inflation proof for that year and all previous years is satisfied.]**

**[B. After the fund is inflation proofed each year, any earnings which total up to five and one-half percent may be distributed to the general fund. In the event that one year does not provide distribution to the general fund, the following year would be**

**limited to the maximum of the five and one-half percent distribution amount, even if earnings were more.]**

**[C. After the fund is inflation proofed and five and one-half percent is distributed to the general fund, any excess funds shall be returned into the fund for growth.]**

The Assembly may appropriate annually not more than the maximum sustainable distribution rate of the five-year average fund market value, to be computed using the five-prior year, calendar year end audited market value. The sustainable distribution rate is defined as the long term expected return of the fund less inflation and expenses. Draws of fund earnings are not to exceed the sustainable rate and draws cannot impair inflation adjusted principal.

#### 5.20.096 Withdrawal of corpus.

No corpus of the City and Borough of Wrangell Permanent Fund shall be withdrawn except upon the vote of a majority of the borough voters voting in a general election or special election called for that purpose. Corpus is defined as the inflation adjusted value of all contributions. Inflation shall be measured using the U.S. Consumer Price Index (CPI-U).

#### 5.20.100 Definition of risk.

The investment committee realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the City and Borough of Wrangell permanent fund assets understands how it defines risk so that the assets are managed in a manner consistent with the plan's objectives and investment strategy as designed in this statement of investment policy. The City and Borough of Wrangell defines risk as:

- A. The probability of not maintaining purchasing power over the plan's investment time horizon.
- B. The possibility of surprises (upside or downside) in investment returns.

#### 5.20.110 Liquidity.

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the City and Borough of Wrangell will periodically provide investment counsel with an estimate of expected net cash flow. The City and Borough of Wrangell will notify the investment consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

#### 5.20.120 Marketability of assets.

The City and Borough of Wrangell requires that all plan assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the plan, with minimal impact on market price.

#### 5.20.130 Investment guidelines.

##### A. Allowable Assets.

The assets of the Permanent Fund shall be invested in investment vehicles that provide exposure to asset classes or implementation strategies which have been approved as part of the strategic asset allocation. All investments must comply with the fund level investment guidelines and product level investment guidelines outlined below.

(a) Fund Level Investment Guidelines: The Fund will use low cost, efficient investment vehicles, such as index mutual funds and/or ETFs. The Fund will achieve its objective via long-only, unlevered investments. The Fund is prohibited from engaging in short sales and margin transactions.

(b) Product Level Investment Guidelines: The Borough Assembly will take a conservative posture on derivative securities in order to maintain a risk averse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. The Borough Assembly recognizes that derivatives may be utilized within products as a portfolio management tool. All derivative exposure must be fully collateralized. Direct leverage or borrowing for the purpose of magnifying returns is prohibited.

#### **[1. Cash Equivalents.**

- a. Treasury bills;**
- b. Money market funds;**
- c. STIF funds;**
- d. Commercial paper;**
- e. Banker's acceptances;**
- f. Repurchase agreements;**
- g. Certificates of deposit.]**

**[2. Fixed Income Securities.**

- a. U.S. government and agency securities;**
- b. Corporate notes and bonds;**
- c. Mortgage backed bonds;**
- d. Preferred stock;**
- e. Fixed income securities of foreign governments and corporations;**
- f. Planned amortization class collateralized mortgage obligations (PAC CMOs) or other “early tranche” CMOs.]**

**[3. Equity Securities.**

- a. Common stocks;**
- b. Convertible notes and bonds;**
- c. Convertible preferred stocks;**
- d. American Depositary receipts (ADRs) of non-U.S. companies;**
- e. Stocks of non-U.S. companies (ordinary shares).]**

**[4. Mutual Funds.**

- a. Mutual funds which invest in securities as allowed in this statement.]**

**[5. Other Assets.**

- a. GICs.]**

**[B. Stock Exchanges. To ensure marketability and liquidity, investment advisors will execute equity transaction through the following exchanges: New York Stock Exchange; and NASDAQ over-the-counter market. In the event that an investment manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the City and Borough of Wrangell.]**

**[C]B. Prohibited Assets. Prohibited investments include, but are not limited to, the following:**

**[1. Commodities and future contracts;]**

2. Private placements;

**[3. Options;]**

4. Limited partnerships;

5. Venture-capital investments;

**[6. Real estate properties;]**7. Interest-only (IO), principal-only (PO), and residual tranche CMOs (Collateralized Mortgage Obligations);**[8. Derivative investment.]**

**[D. Prohibited Transactions. Prohibited transactions include, but are not limited to, the following:**

1. Short selling;

2. Margin transactions.]

**[E]C. Asset Allocation Guidelines.** Investment management of the assets of the City and Borough of Wrangell permanent fund shall be in accordance with the following asset allocation guidelines:

**[1. Aggregate Plan Asset Allocation Guidelines (at market value).]**

Asset Class	Minimum	Maximum	Preferred
Equities	35	65	50
Fixed Income	30	60	45
Cash and Equivalents	5	15	5]

**[2. The City and Borough of Wrangell may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate plan, such disciplines must fit within the overall asset allocation guidelines established in this statement. Such investment managers will receive written direction from the City and Borough of Wrangell regarding specific objectives and guidelines.]**

**[3. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the City and Borough of Wrangell will instruct the investment manager(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual investment manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the City and Borough of Wrangell expects that the investment manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the investment committee.]**

**[F. Diversifications for Investment Managers. The City and Borough of Wrangell does not believe it is necessary or desirable that securities held in the plan represent a cross-section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed five percent of the total fund, and no more than 15 percent of the total fund should be invested in any one industry. Individual treasury securities may represent five percent of the total fund, while the total allocation to treasury bonds and notes may represent up to 100 percent of the plan's aggregate bond position.]**

**[G. Guidelines for Fixed Income Investments and Cash Equivalents.**

- 1. Plan assets may be invested only in investment grade bonds rates (or equivalent) or better.**
- 2. Plan assets may be invested only in commercial paper rates A1 (or equivalent) or better.**
- 3. Money market funds selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's.]**

The Permanent Fund's strategic asset allocation will be determined based upon the desired return, risk tolerance, and other investment parameters (liquidity needs, time horizon, etc.). The appropriateness and characteristics of the asset allocation strategy will be reviewed by the Investment Committee and confirmed by the Assembly by Resolution not less than 60 days of the fiscal year end.

The investment manager has discretion to make modest adjustments to the strategic asset allocation's allowable asset classes, weights, and ranges so long as the changes do not

materially alter the risk and return profile of the investment portfolio. All discretionary adjustments to the strategic asset allocation will be made with the fiduciary obligation that decisions are made in the best interest of the City and Borough of Wrangell and its residents. Prior to the investment manager implementing any changes to the strategic asset allocation, the Borough Manager and Finance Director shall be notified, which begins a five-day negative consent period for consultation with the Borough Manager, Finance Director, and Borough Assembly before implementing any adjustments.

#### 5.20.140 Selection of managers.

The City and Borough of Wrangell's selection of investment manager(s) must be based on prudent due diligence procedures. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company. The investment committee requires that each investment manager provide, in writing, acknowledgement of fiduciary responsibility to the City and Borough of Wrangell permanent fund.

#### 5.20.150 Investment manager performance review and evaluation.

Performance reports generated by the investment consultant shall be **[complied]compiled** at least **[quarterly] monthly** and communicated to the City and Borough of Wrangell for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The City and Borough of Wrangell **[intends to]shall evaluate the portfolio(s) using a rolling [over at least a] three-year period annually**, but reserves the right to terminate a manager for any reason including the following:

- A. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
- B. Failure to adhere to any aspect of this statement of investment policy, including communication and reporting requirements.
- C. Significant qualitative changes to the investment management organization.
- D. The pleasure of the borough assembly.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

### 5.20.160 Investment policy review.

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy, the City and Borough of Wrangell **[plans to] shall review investment policy at least annually not less than 60 days of the fiscal year end.**

SEC. 3. Severability. If any provision of this ordinance, or any application thereof to any person or circumstances is held invalid, the remainder of this ordinance and the application to all other persons or circumstances shall not be affected thereby.

SEC. 4. Classification. This ordinance is of a permanent nature and shall be codified in the Wrangell Municipal Code.

SEC. 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: October 22, 2019

PASSED IN SECOND READING: December 10, 2019

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	October 22, 2019
	<u>Agenda Section</u>	<b>12</b>

**RESOLUTION NO. 12-19-1506** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA AUTHORIZING THE REFUND OF OVER PAYMENT OF PROPERTY TAXES AND EXPENSES TO ARNOLD AND ALICE BAKKE DUE TO A MANIFEST ERROR IN THE AMOUNT OF \$4,382.46 (*postponed from the September 24, 2019 meeting*)

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required: \$4,382.46 Total**

FY 19: \$	FY 20: \$4,382.46	FY21: \$
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**Amount Budgeted:**

FY19 \$0

**Account Number(s):**

11000 000 4010

**Account Name(s):**

Property Taxes

**Unencumbered Balance(s) (prior to expenditure):**

\$XXX

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	Assessor
Name(s)	State Assessor
<input checked="" type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution 12-19-1506

**RECOMMENDATION MOTION:**

Move to approve Resolution No. 12-19-1506 authorizing the refund of over payment of property taxes to Arnold and Alice Bakke in the amount of \$4,382.46.

**SUMMARY STATEMENT:**

Last August, Helen and Steve Keller came to speak to me about an incorrect assessment value at the property owned by Ms. Keller's parents, Arnold and Alice Bakke. At the time Administration was

neck deep in hospital negotiations, which thankfully the Kellers understood. However, Administration failed to follow-up with the Kellers after the close of hospital transfer proceedings. At the end of June of this year, I received an email from Mike Renfro the City Assessor. The Kellers reached out to Mike with the hope of getting some resolution to the issue. The email from the Assessor included Helen Keller's communication to him, and his response to her concluding their request was outside of his authority to address and that they should contact the City for additional resolution. Upon receiving the email from the Assessor Administration contacted the Kellers to establish a meeting date to address the issue. That meeting was held in the middle of July.

In short, the property belonging to Arnold and Alice Bakke was over-valued in its assessment from the time it was constructed in 1994 because the Assessor wrongly assumed the lower level included an apartment. The value per square foot was assessed at \$20/ft<sup>2</sup> for the apartment, instead of \$12.87/ft<sup>2</sup> for a comparable space.

In 2013, Mrs. Keller began assisting her parents with their affairs, including property tax payments. Due to medical reasons the Bakkes inadvertently failed to file for their Senior Exemption that year. On their behalf, Mrs. Keller requested a late file exemption. That year, the Bakke's assessed value increased by an immense amount. It was found to be a calculation error, (what's considered a Manifest Error) and corrected. At the same time, she noted the incorrect value on the official "tax card" because of the non-existent apartment being calculated in the value. She requested a change and the value was corrected in 2013. In 2013, the Keller's requested a refund (on behalf of the Bakkes) on overpaid taxes for previous years due to the incorrect apartment assessment. Both the Administration and Assembly said the appeal period for the year, and previous years, was closed and nothing could be done about the issue.

Last year, Mrs. Keller was addressing an assessment issue on the property leased by the Kellers, and she had the opportunity to speak with the State Assessor. The State Assessor advised her to revisit the tax refund issue with the Borough as he informed her the Borough does have the opportunity to correct issues such as this. That is when the Kellers first came to meet with me. Then, they resurrected the request with the Borough's Assessor in June. I met with the Kellers and Mr. Bakke in July and August. This is the meeting time that worked with everyone's schedule to bring this to the Assembly for consideration.

The Borough Assessor responded to Mrs. Keller's request by informing her the incorrect valuation was not a Manifest Error, and therefore was outside of his ability to address. He recommended she take the matter up with Borough Administration.

Alaska Statute (AS) 29.45.500 addresses the refund of taxes. The Statute is copied below:

**Sec. 29.45.500. Refund of taxes.** (a) If a taxpayer pays taxes under protest, the taxpayer may bring suit in the superior court against the municipality for recovery of the taxes. If judgment for recovery is given against the municipality, or, if in the absence of suit, it becomes obvious to the governing body that judgment for recovery of the taxes would be obtained if legal proceedings were brought, the municipality shall refund the amount of the taxes to the taxpayer with interest at eight percent from the date of payment plus costs.

(b) If, in payment of taxes legally imposed, a remittance by a taxpayer through error or otherwise exceeds the amount due, and the municipality, on audit of the account in question, is satisfied that this is the case, the municipality shall refund the excess to the taxpayer with interest at eight percent from the date of payment. A claim for refund filed one year after the due date of the tax is forever barred.

(c) The governing body may correct manifest clerical errors at any time.

Section B states that a municipality will refund a taxpayer overpaid taxes, plus interest of 8%, from the date of payment. The Bakkes are requesting a refund, plus interest (compounding), from the time of overpayment beginning in 1994. In speaking initially with the Borough Attorney, he advised there is a statute of limitations of six years on the overpayment of taxes. The Attorney has revised that opinion to say we may be able to limit it to two years. My understanding, and the Keller's is the number is six years. The Borough Manager called the State Assessor to confirm the timeframe is six years.

On behalf of her parents, Mrs. Keller hired an accountant to run the calculations on what is owed to the Bakkes if the refund were to begin in 1994 with compounding interest through the 2012 tax year. The value was corrected in 2013. A copy of those calculations is attached. The total (calculated through June of 2019) with principal and interest from 1994 is \$12,102.42. \$3,706 of that is principal. \$8,396.42 of that is interest. The Kellers paid an accountant \$750 to help them calculate this information.

Administration is recommending a refund for the six years prior to 2013 when the Kellers first raised this issue with the Administration. This is to respect the assumed 6-year statute of limitations. This would be for the tax years 2007, 2008, 2009, 2010, 2011 and 2012 as follows:

#### 2007-2012 (13 Mill Rate)

From 2007 through 2012 the value of the one level was calculated at \$20/ft<sup>2</sup> (assuming the apartment), instead of \$12.87/ft<sup>2</sup> for comparable spaces. The values, when taken through the full assessment calculation, result in a difference in taxes of \$264 annually. That equates to \$1,584 for those six years in overpaid taxes only. \*Note, the accountant factored the annual difference at \$259 for some reason. In checking his calculations twice, the overpayment is actually \$264 annually.

At 8% interest, compounded annually, the total refund, plus interest to the Bakkes is \$3,584.67. This includes \$1,584 in principal and \$2,000.67 in interest. Administration recommends covering the cost of the accountant as well at \$750. Total recommended payment to the Bakkes was \$4,334.67.

In September, the Assembly postponed action on this item to get an accurate accounting of what the Borough would need to refund if all years (not just six) were refunded. The accountant's figures were double checked and the only error was the one outlined in the paragraph above a difference of \$25 over five years, or five dollars per year between 2007 and 2012. The staff recalculated everything compounding interest through December of this year. To pay the Bakkes the full amount

for all years, plus 8% interest and the accounting fee is \$12,610.45 (taxes and interest) plus \$750 (accounting fees) for a total of \$13,360.45. To pay the Bakkes the recommended amount under the six year statute of limitations, the amount is \$3,632.46 (taxes and interest) plus \$750 (accounting fees) for a total of \$4,382.46.

Following the September meeting a member of the Assembly was approached anonymously by a member of the public reporting the Bakke's house actually did include an apartment. This claim has been investigated by Administration and there is no apartment in the bottom level of the dwelling. The garage and storage space includes a half-bath with a toilet and sink only. It also includes a kitchen-type area for processing game and fish that includes a sink, counter space and refrigerator and freezer.

CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 12-19-1506

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE REFUND OF OVER PAYMENT OF PROPERTY TAXES AND EXPENSES TO ARNOLD AND ALICE BAKKE DUE TO A MANIFEST ERROR IN THE AMOUNT OF \$4,382.46

WHEREAS, from 1994 through 2012 the assessed value of the home of Arnold and Alice Bakke was over stated due to the assumption of an apartment in the bottom level of the dwelling; and

WHEREAS, the Bakke's overpaid property taxes from 1994 through 2012 due to the incorrect assessed value of the home; and

WHEREAS, the City & Borough of Wrangell desires to correct this overpayment; and

WHEREAS, the statute of limitations on repayment of property taxes is six years, so the recommended refund is from the years 2007-2012 plus 8% compounding interest.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1. The Assembly of the City & Borough of Wrangell, Alaska authorizes the refunds of the overpayment of property taxes from 2007-2012, plus 8% compounding interest through December, 2019 in the amount of \$3,632.46. The Assembly further authorizes the repayment of accounting fees in the amount of \$750 to the property owner for a total refund of \$4,382.46.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10<sup>TH</sup> Day of December, 2019.

CITY & BOROUGH OF WRANGELL

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST:\_\_\_\_\_  
Kim Lane, Borough Clerk

**Bakke Overpayment and Interest***Item a.***Compound Period:****Daily****Nominal Annual Rate:****8.000%****AMORTIZATION SCHEDULE - Normal Amortization**

	<b>Date</b>	<b>Overpayment</b>	<b>Interest</b>	<b>Balance</b>
Overpayment	10/31/1994	64.00	0.00	64.00
Overpayment	10/31/1995	128.00	5.33	197.33
Overpayment	10/31/1996	48.00	16.48	261.81
Overpayment	10/31/1997	48.00	21.80	331.61
Overpayment	10/31/1998	176.00	27.62	535.23
Overpayment	10/31/1999	211.00	44.57	790.80
Overpayment	10/31/2000	211.00	66.04	1,067.84
Overpayment	10/31/2001	178.00	88.93	1,334.77
Overpayment	10/31/2002	178.00	111.16	1,623.93
Overpayment	10/31/2003	178.00	135.24	1,937.17
Overpayment	10/31/2004	244.00	161.78	2,342.95
Overpayment	10/31/2005	244.00	195.12	2,782.07
Overpayment	10/31/2006	244.00	231.68	3,257.75
Overpayment	10/31/2007	259.00	271.30	3,788.05
Overpayment	10/31/2008	259.00	316.36	4,363.41
Overpayment	10/31/2009	259.00	363.37	4,985.78
Overpayment	10/31/2010	259.00	415.20	5,659.98
Overpayment	10/31/2011	259.00	471.35	6,390.33
Overpayment	10/31/2012	259.00	533.69	7,183.02
Interest	10/31/2013	0.00	598.18	7,781.20
Interest	10/31/2014	0.00	648.00	8,429.20
Interest	10/31/2015	0.00	701.96	9,131.16
Interest	10/31/2016	0.00	762.59	9,893.75
Interest	10/31/2017	0.00	723.93	10,617.68
Interest	10/31/2018	0.00	892.54	11,510.22
Interest	6/15/2019	0.00	592.20	12,102.42
Totals		3,706.00	8,396.42	12,102.42

Bakke Assesment Calculations  
Year: 2007-2012

Value Calculations per Borough

Description	Area	Unit Cost	Total
1st Floor	2240	45	100,800
2nd Floor	2240	20	44,800
Deck	400	5	2,000
Total replacement cost			\$ 147,600
Conversion Factor			1.4
Adjusted replacement cost			\$ 206,640
Net condition			91%
Appraisal			188,024
Round to nearest hundred			188,000
Land			22,100
Total Value			\$ 210,100
Exemption			(150,000)
Taxable			\$ 60,100
Mill rate			13
Tax			\$ 766

Corrected

Description	Area	Unit Cost	Total
1st Floor	2240	45	100,800
2nd Floor	2240	12.87	28,829
Deck	400	5	2,000
Total replacement cost			\$ 131,629
Conversion Factor			1.4
Adjusted replacement cost			\$ 184,280
Net condition			91%
Appraisal			167,678
Round to nearest hundred			167,700
Land			22,100
Total Value			\$ 189,800
Exemption			(150,000)
Taxable			\$ 39,800
Mill rate			13
Tax			\$ 507

Difference \$ 259

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>13</b>

**RESOLUTION NO. 12-19-1503** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA SUPPORTING ROADLESS RULE ALTERNATIVE SIX (6)

SUBMITTED BY:

Carol Rushmore, Economic Development  
Director & Lisa Von Barga, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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**Amount Budgeted:**

	FY20 \$XXX
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**Account Number(s):**

	XXXXXX XXX XXXX
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**Account Name(s):**

	Enter Text Here
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**Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input checked="" type="checkbox"/>	Commission, Board or Committee
Name(s)	Economic Development Committee
Name(s)	Convention and Visitor Bureau
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution 12-19-1503; 2. Draft EIS Executive Summary; 3. Draft Letter responding to DEIS; 4. EDC recommendation; 5. Draft WCVB recommendation; 6. 2. List of Roadless Rule links

**RECOMMENDATION MOTION:**

Move to Approve Resolution No. 12-19-1503.

**SUMMARY STATEMENT:**

The US Forest Service Draft Environmental Impact Statement Rulemaking for Alaska Roadless Areas includes six alternatives including Alternative 1, no action, on one end of the spectrum, and

Alternative 6 which is a full exemption. Please see the attached Draft EIS Executive Summary. It is 17 pages. The alternatives are summarized on pages 7-10. The table below from the Executive Summary provides the Alternatives and Management Categories.

**Table ES-1**  
**Alaska Roadless Areas (ARA) by Alternative and Management Category**

ARA Management Categories	Alternative					
	1	2	3	4	5	6
	No Action	Roaded Roadless	Logical Extension	Partial Dev. LUDs <sup>1</sup>	All Dev. LUDs	Full Exemption
LUD II Priority	N/A	√		√	√	N/A
Watershed Priority	N/A	√	√			N/A
Roadless Priority	N/A	√	√	√	√	N/A
Community Priority	N/A		√			N/A
Timber Priority	N/A			√		N/A

The Mayor requested a resolution be brought forward supporting Alternative 6 – the full exemption. Alternative 6 is the preferred alternative for the Department of Agriculture – the parent department of the US Forest Service. This is meant to be a starting point for the Assembly from which to begin discussions on the matter.

Additionally, the Wrangell Convention and Visitor Bureau and the Economic Development Committee reviewed and discussed the US Forest Service Draft Environmental Impact Statement Rulemaking for Alaska Roadless Areas. There were considerable differences in their approach and discussions. The EDC ultimately felt that the existing Tongass Forest Plan provided adequate environmental protections for old growth, wildlife, habitat, and watersheds but without the exemption, future potential needs of residents and communities to provide critical infrastructure and business development opportunities could be severely restricted. The Convention and Visitor Bureau was worried that allowing a full scale exemption was a step towards large scale logging and loss of environmental protections that currently exist.

The WCVB recommendation presented here has NOT been voted on, but was written based on their comments at their meeting prior to the USFS public meeting. They did not have a quorum for the meeting at which they were to finalize a recommendation. The EDC made the motion presented and then reviewed and commented by email the summary of comments (from their minutes) that follows the motion in the attached memo.

The attached summary letter tries to formalize the comments of the CVB and EDC. The CVB and the EDC would like this letter sent as an attachment to whatever resolution is forwarded to the USFS.

The attached resolution attempts to address the perspectives outlined by the CVB and EDC while supporting Alternative 6.

# EXECUTIVE SUMMARY

# Executive Summary

The Forest Service has prepared an environmental impact statement (EIS) in compliance with the National Environmental Policy Act (NEPA) and other relevant federal laws and regulations. This Draft EIS (DEIS) discloses the potential environmental consequences that might result from the proposed actions and alternatives.

## Background

### Inventoried Roadless Areas

Inventoried Roadless Areas (IRAs) on the Tongass National Forest (Tongass) include 9.2 million acres (55 percent of the Tongass) across 110 IRAs. When these designated roadless areas are combined with Wilderness and National Monument areas, the Tongass is currently more than 90 percent undeveloped and unavailable for timber harvest and road building. Developed areas cover about 1.3 million acres, or about 8 percent, of the Tongass. Southeast Alaska residents (approximately 73,000) are, for the most part, surrounded by largely undeveloped land.

Several portions of the Tongass constitute contiguous IRAs exceeding 1 million acres, and thus represent large, unfragmented wildlife habitats and opportunities for solitude. Many of the Tongass IRAs represent wildlife habitats, ecosystems, and visual characteristics, such as coastal islands facing the open Pacific, extensive beaches on inland saltwater, old-growth temperate rain forests, ice fields, and glaciers that exist nowhere else in the National Forest System (NFS). Many of these areas are remote and difficult to access for primitive recreation and contain other important resources, such as timber, minerals, renewable energy opportunities, and salmon-producing streams. While IRAs provide a large portion of the land base in Southeast Alaska, National Parks, National Monuments, and designated Wildernesses also contribute to the undeveloped nature of the region.

The Roadless Area Conservation Rule (2001 Roadless Rule) was originally codified at Title 36 of the Code of Federal Regulations (CFR) Part 294 (36 CFR 294), Subpart B (66 Federal Register [FR] 3244) in January 2001. The 2001 Roadless Rule applies nationwide (except Idaho and Colorado where state-specific rules have superseded the 2001 Rule and were completed in 2008 and 2012, respectively). The 2001 Rule remains applicable to 44.7 million acres of National Forests (approximately 24 percent of total NFS lands) and prohibits road construction/reconstruction and timber harvest, sale, or removal, with limited exceptions.

Since its promulgation, the 2001 Roadless Rule has been the subject of litigation. In 2001, the State of Alaska filed a complaint, challenging the U.S. Department of Agriculture's (USDA) promulgation of the 2001 Roadless Rule and its application in Alaska. The USDA and the State of Alaska reached a settlement in 2003, and the USDA subsequently issued a rule temporarily exempting the Tongass from the 2001 Roadless Rule. In 2011, a federal court (District of Alaska) set aside the Tongass's exemption and reinstated the 2001 Roadless Rule on the Tongass with special instructions. The Alaska District Court's ruling was initially reversed by a three-judge panel of the Ninth Circuit, but the District Court's ruling was ultimately upheld in a 6–5 en banc ruling of the Ninth Circuit in 2015. Consequently, the 2001 Roadless Rule remains in effect in Alaska and the Forest Service continues to apply the 2001 Roadless Rule within the Tongass and Chugach National Forests.

### State of Alaska Petition

In January 2018, the State of Alaska submitted a petition requesting that the Secretary of Agriculture exempt the Tongass from the 2001 Roadless Rule (see Appendix A). In June 2018, the USDA Secretary directed the Forest Service to begin working with the State to consider an Alaska state-specific roadless rule. In August 2018, the Forest Service granted cooperating agency status to the State of Alaska. The

Forest Service and the State of Alaska believe that the proposed action represents a unique opportunity to collaboratively resolve and provide certainty to the roadless issue in the State of Alaska. The Forest Service published a Notice of Intent (NOI) to prepare an EIS and initiated a public rulemaking process to address the management of IRAs on the Tongass on August 30, 2018 (83 FR 44252). As stated in that NOI, the USDA desires a durable and long-lasting regulation for the conservation and management of roadless areas on the Tongass. The proposed state-specific roadless rule would discontinue the existing regulation's prohibitions and instead rely upon existing statutory and management plan direction to manage roadless area characteristics on the Tongass.

## **Tongass Land and Resource Management Plan**

The 16.7-million-acre Tongass was the first forest to complete a Land and Resource Management Plan (Forest Plan) under the National Forest Management Act (NFMA) in 1979. That Forest Plan was amended in 1986 and 1991 and revised in 1997. A final Supplemental Environmental Impact Statement (SEIS) was completed in 2003, which further evaluated roadless areas for their wilderness potential. The Forest Plan was amended in 2008 in response to a Ninth Circuit Court ruling and a 5-Year Plan Review completed in 2005. The Forest Plan was subsequently amended in 2016 to address the Secretary of Agriculture's direction to transition to a young growth-based timber program in 10 to 15 years. The 2016 Forest Plan anticipated production of an average of 46 million board feet (MMBF) per year while transitioning to predominantly young growth harvest after about 16 years. Additional objectives of the 2016 Forest Plan Final EIS (FEIS) include facilitation of the development of renewable energy projects and responding to findings of the 5-Year Review of the 2008 Forest Plan.

All discretionary Forest Service activities authorized on the Tongass must be consistent with the Forest Plan as well as existing laws and regulations. The proposed Alaska Roadless Rule would supersede direction in the Tongass Forest Plan. In addition, as with other roadless rulemakings, the Alaska roadless rulemaking process does not require an amendment or revision of any forest plan.

## ***Purpose and Need***

In response to the State of Alaska's petition for rulemaking, the Forest Service and State of Alaska agree the controversy surrounding the management of Tongass roadless areas may be resolved through state-specific rulemaking. A long-term, durable approach to roadless area management is desired that accommodates the unique biological, social, and economic situation found in and around the Tongass. The Tongass is unique from other national forests with respect to size, percentage of IRAs, amount of NFS lands and subsequent dependency of 32 communities on federal lands, and unique Alaska and Tongass-specific statutory considerations (e.g., Alaska National Interest Lands Conservation Act [ANILCA]), Tongass Timber Reform Act [TTRA]).

The USDA and Forest Service believe the 2001 Roadless Rule prohibitions on timber harvest and road construction/reconstruction can be adjusted for the Tongass in a manner that meaningfully addresses local economic and development concerns and roadless area conservation needs.

## ***Key Issues***

The following three key issues were identified for the Alaska state-specific roadless rulemaking effort and will be carried forward throughout the analysis.

### **Key Issue 1 – Roadless area conservation**

The Tongass includes large undeveloped areas, with several portions of the Forest consisting of contiguous roadless areas that exceed one million acres and represent large blocks of unfragmented wildlife habitats, undeveloped or natural areas, and opportunities for primitive recreation and/or solitude. This large scale of roadless area, including wildernesses and national monuments, does not exist anywhere else in the NFS outside of Alaska. The Tongass is the largest national forest in the United States, and the majority of the Tongass is in a natural condition, unlike most other national forests. It represents one of the largest, relatively intact temperate rainforests in the world.

Roadless areas are important because of their wildlife and fish habitat, recreation values, importance to multiple economic sectors, traditional properties and sacred sites for local indigenous people, inherent passive use values, and ecosystem services values they provide. Passive use values represent the value that individuals assign to a resource independent of their use of that resource and typically include existence, option, and bequest values. These values represent the value that individuals obtain from knowing that expansive roadless areas exist, knowing that they are available to visit in the future should they choose to do so, and knowing that they are available for future generations to inherit. Ecosystem services represent the services provided to society by healthy ecosystems. These services and benefits include what some consider to be long-term life support benefits to society as a whole. Examples of ecosystem services include watershed services, soil stabilization and erosion control, improved air quality, climate regulation, carbon sequestration, and biological diversity.

## **Key Issue 2 – Support local and regional socioeconomic well-being, Alaska Native culture, rural subsistence activities, and economic opportunity across multiple economic sectors**

The Tongass comprises approximately 80 percent of Southeast Alaska and therefore plays a critical role in supporting local and regional economies, promoting economic diversification, and also enhancing rural community well-being. The visitor industry, seafood industry, and resource extraction industries contribute to local jobs and income alongside public sector employment in federal, state, and local government. While the visitor and seafood industries are the largest private-sector employers across Southeast Alaska, resource extraction remains important in some rural communities where job opportunities are limited and unemployment rates are often high.

The Forest Service manages land for the multiple-use and sustained yield of all renewable resources. There is, however, disagreement among the public regarding the best management of federal lands for economic development purposes and the overall economic vitality of Tongass communities. Many believe the visitor industry and seafood industries have become the mainstay of Southeast Alaska's economy and, therefore, should have prominence in Forest Service land management decision-making. Others note that resource extraction, including forest products and the minerals industry, continue to provide jobs and income sources in Southeast Alaskan communities. Furthermore, Southeast Alaska residents, communities, and Alaska Native individuals and tribes rely extensively on the Tongass for subsistence uses, recreational hunting and fishing, and outdoor pursuits, and these activities yield economic value as well.

## **Key Issue 3 – Conserve terrestrial habitat, aquatic habitat, and biological diversity**

The Tongass includes large, undeveloped, and natural land areas that represent expansive unfragmented blocks of wildlife habitat. This scale and size of contiguous habitat is not available elsewhere in the NFS outside of Alaska. Although wildlife species on the Tongass are associated with more than one habitat type, many inhabit old-growth forests or prey on species that inhabit old-growth forests. The Old-growth Habitat Conservation Strategy was developed to maintain the integrity of the old-growth forest ecosystem, and thereby conserve biological diversity across the Forest by retaining intact, largely undisturbed habitat. In addition, because of its predominantly undeveloped nature, a number of wide-ranging species find optimal habitat in the more remote areas of the Forest.

Fish and the aquatic resources on the Tongass support subsistence, commercial, and sport fisheries, as well as traditional and cultural values. The Tongass includes high-value, intact watersheds that were designated to be managed for intact ecological values and aquatic habitat productivity, and many commenters believe these areas should be protected so that they can continue to provide the clean water and fish habitats that are essential to the ecological and economic health of the Southeast Alaska communities and residents who rely on them.

## ***Features Common to Multiple Alternatives***

### **2016 Tongass Land and Resource Management**

Except for the timber land suitability determinations described below, none of the alternatives would make any changes to the Forest Plan including the following:

- Goals and Objectives;
- Land Use Designations or Management Prescriptions;
- Forest-wide Standards and Guidelines;
- Plan Components developed under the 2012 Planning Rule; and/or
- Projected Timber Sale Quantity (PTSQ), Projected Wood Sale Quantity (PWSQ), and the Young-growth Transition.

None of the alternatives authorize any site-specific projects or other ground-disturbing activities. Specific projects that include timber harvest, road construction, and/or road reconstruction must undergo site-specific environmental analysis when they are proposed to comply with NEPA. None of the alternatives considered in this DEIS waive any applicable requirements regarding site-specific environmental analysis, public involvement, consultation with Alaska Native tribes, Alaska Native corporations, and other agencies, or compliance with other applicable laws.

Activities that are not otherwise prohibited are permissible in roadless areas under all alternatives, including the no-action alternative (2001 Roadless Rule), if not restricted by other law, regulations, and/or policies.

### **Timber Suitability**

Alternatives 2, 3, 4, 5, and 6 would result in an administrative change to the timber land suitability determinations made in the 2016 Forest Plan. Specifically, lands identified as suitable for timber production that were deemed unsuitable solely due to roadless designation in the Plan would be designated as suitable for timber production. This administrative change would apply to lands removed from the roadless inventory and to lands identified as “Community Priority” or “Timber Priority” in Alternatives 3 and 4, respectively. This change to the Tongass suitability determinations does not preclude future suitability determinations as part of Forest Plan amendment or revision processes.

### **2001 Inventoried Roadless Area Mapping Updates**

Administrative corrections are made to IRA boundaries based on ownership changes and mapping corrections. Corrections to IRAs that apply to all alternatives entail:

- Removing about 136,000 acres from the roadless inventory that were either misidentified in 2001, (i.e., designated Wilderness identified as IRA), had ownership changes since 2001 due to land adjustments, or resulted from corrections due to mapping alignment errors.
- Adding about 3,000 acres to roadless areas due to changes in ownership or boundary alignment errors.

### **Proposed Alaska Roadless Boundary Correction and Modification Provisions**

Alternatives 2, 3, 4, and 5 include administrative correction and modification provisions for inclusion in the proposed Alaska Roadless Rule to provide for future boundary and classification changes. Administrative corrections would be limited to adjustments that remedy clerical errors, typographical errors, mapping errors, improvements in mapping technology, conformance to statutory changes, or incorporation of changes due to land adjustments. This provision would apply to both the Tongass National Forest as well as the Chugach National Forest. The Regional Forester may issue administrative corrections after a 30-day public notice and opportunity to comment period.

Modifications would be changes to Alaska Roadless Area (ARA) boundaries and classifications not considered to be an administrative correction. The Regional Forester would provide at least a 45-day public notice and opportunity to comment period for all modifications.

This same provision is included in Alternative 6, but only for the Chugach National Forest.

## **Alaska Roadless Area Land Management Categories**

Alternatives 2, 3, 4, and 5 provide for a variety of management approaches within roadless areas through ARA land management categories which include Land Use Designation (LUD) II Priority, Watershed Priority, Roadless Priority, Community Priority, and Timber Priority. The management categories prohibit timber harvest, road construction, and road reconstruction with a range of exceptions that are applied differentially across the alternatives. A brief description of each management category follows.

### **LUD II Priority (Alternatives 2, 4, and 5)**

To eliminate overlapping direction, LUD II Priority ARAs would be managed exclusively in accordance with statutory direction. These lands will be managed in a roadless state to retain their wildland character as defined in the Tongass Timber Reform Act (TTRA; Title II, Section 201) and the National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291, 128 Stat. 3729, Section 3720(f)).

Approximately 870,000 acres of the Tongass are congressionally designated as LUD II (826,000 acres currently designated as IRA under the 2001 Roadless Rule and 44,000 acres currently not designated as IRA). Alternatives 2 and 4 propose to designate all of the congressionally designated LUD II acres as LUD II Priority ARA. Alternative 5 proposes to apply the LUD II Priority ARA only to LUD II areas that are currently designated as IRA.

Notably, Alternative 3 proposes to remove all LUD II areas from roadless designation rather than designating LUD II lands into an ARA. LUD II areas under Alternative 3 would continue to be managed as directed by their congressional designations.

### **Watershed Priority (Alternatives 2 and 3)**

The Watershed Priority ARA is more protective than the 2001 Roadless Rule as it offers fewer exceptions for timber harvest, road construction/reconstruction. It also provides for activities specific to aquatic habitat improvement. Approximately 3,214,000 acres in Alternative 2 would be managed under this ARA. The Watershed Priority ARA is applied to areas identified in the 2016 Forest Plan as Tongass 77 (T77) Watersheds and The Nature Conservancy (TNC)/Audubon Conservation Priority Areas.

Additionally, for Alternative 3, commercial old-growth timber harvest would be prohibited on NFS lands in T77 and TNC/Audubon Conservation Areas including those that extend beyond ARA boundaries.

### **Roadless Priority (Alternatives 2, 3, 4, and 5)**

The Roadless Priority ARA is similar to the 2001 Roadless Rule but is less restrictive and addresses Alaska-specific concerns. Specifically, it provides for infrastructure development to connect and support local communities, and road construction/reconstruction for access to renewable energy and leasable minerals. The leasable minerals exception provides for geothermal, oil, gas, and/or coal development. In addition, the Roadless Priority ARA includes specific exceptions that, while they are allowed under the 2001 Roadless Rule, are included to improve overall clarity.

### **Community Priority (Alternative 3)**

The Community Priority ARA allows for small-scale timber harvest and associated road construction/reconstruction. In addition, it allows for infrastructure development to connect and support local communities and traditional Alaska Native cultural uses. In all cases, activities within Community Priority ARAs would have to be consistent with the underlying Forest Plan LUD requirements. This is to say that even if a timber harvest, road building, or other activity would be permissible under the Alaska Roadless Rule, it may not be allowable because of Forest Plan requirements specific to the LUD that applies to the area. This ARA applies to approximately 241,000 acres and is only proposed in Alternative 3 adjacent to five communities: Sitka, Wrangell, Juneau, Ketchikan, and Yakutat. However, based on

cooperating agency input, the Community Priority ARA should have also been applied around the communities of Hydaburg and Kake and will be accommodated in the FEIS

This ARA was developed to address specific desires of some communities to retain roadless designations while allowing for small timber operators in the community, infrastructure development to support the communities, and provide for traditional Alaska Native cultural uses. The Forest Service is seeking public input on this ARA, specifically with respect to whether this designation should be applied to other communities/areas. The Forest Service could consider applying the Community Priority ARA either adjacent to communities or within community areas as requested by non-profit community associations organized under State of Alaska law (Alaska Statute 10.20.005), municipal governments, or tribal governments.

### **Timber Priority (Alternative 4)**

The Timber Priority ARA allows timber harvest, road construction, and road reconstruction to facilitate timber management and provide economic opportunity. This ARA applies to approximately 856,000 acres and is only considered in Alternative 4.

**Table ES-1**  
**Alaska Roadless Areas (ARA) by Alternative and Management Category**

ARA Management Categories	Alternative					
	1	2	3	4	5	6
	No Action	Roaded Roadless	Logical Extension	Partial Dev. LUDs <sup>1</sup>	All Dev. LUDs	Full Exemption
LUD II Priority	N/A	√		√	√	N/A
Watershed Priority	N/A	√	√			N/A
Roadless Priority	N/A	√	√	√	√	N/A
Community Priority	N/A		√			N/A
Timber Priority	N/A			√		N/A

N/A = not applicable

<sup>1</sup> Includes Timber Production and Modified Landscape LUDs, but not Scenic Viewshed.

### **T77 Watersheds and TNC/Audubon Conservation Priority Areas – Additional Regulatory Protections (Alternative 3)**

Watershed protection is a key element of roadless management. Watersheds are highly valued sources of municipal drinking water, support fisheries and wildlife habitat, and can act as keystones for economic activities. In Alternative 3, areas identified in the 2016 Forest Plan as T77 watersheds and TNC/Audubon Conservation Priority Areas (high-priority watershed areas) that are outside of designated roadless areas would be afforded added protection through the Alaska Roadless Rule regulation. Specifically, old-growth timber harvest would be prohibited. A prohibition on old-growth harvesting currently exists through the Forest Plan. But Alternative 3 examines establishing regulatory continuity between these roadless and watershed management systems given how extensively they overlap (the listed watersheds comprise over half of the Tongass' roadless areas, and approximately 90 percent of the watershed areas are within roadless area boundaries). Thus, the old-growth harvest prohibition would be extended beyond the designated roadless area boundaries in order to maintain the balance and integrity of the watershed protection system. As with all roadless rule provisions, the new prohibition would supersede the current and future forest plans, with the plan continuing to provide management direction in other regards. In this manner, Alternative 3 affords high-priority watershed areas greater regulatory protection than under the 2001 Roadless Rule. Young-growth timber harvest outside of ARAs within these high-priority watershed areas is not prohibited. This would apply to about 377,000 acres outside of roadless areas. Table ES-1 displays the ARAs by alternative and ARA.

## Alternative 1 (No Action)

Alternative 1 is the no action alternative as required by NEPA and reflects a continuation of current land management pursuant to the 2001 Roadless Rule (see Map 1 in map packet or on thumb drive). This alternative continues general prohibitions on tree harvest (and sale), road construction, and road reconstruction within IRAs with limited exceptions (Table 2-2).

Under Alternative 1, roadless areas consist of 110 IRAs identified in the 2001 Roadless Rule. These IRAs were originally mapped in 1996 for the Tongass Forest Plan Revision and the provisions of the 2001 Roadless Rule (as provided for by the Court's reinstatement Order) would apply to those IRAs (summarized below). As a result of ownership changes and boundary alignment corrections these IRAs currently encompass 9.2 million acres<sup>1</sup> of NFS land. Provisions of the 2001 Roadless Rule remain intact across the 110 IRAs, encompassing approximately 55 percent of the Tongass.

Under Alternative 1, IRA boundary modifications would continue to require rulemaking except for minor administrative corrections.

## Alternative 2

Alternative 2 provides limited additional timber harvest opportunity while maximizing roadless area designations. It removes approximately 113,000 acres from roadless designation that have been substantially altered as identified by known prior road construction or timber harvest including both development and non-development LUDs. These areas are generally known as "roaded roadless" areas but include additional areas considered to be substantially altered. Alternative 2 also maximizes the geographic scope of roadless area designation by adding 133,000 acres as ARAs.

The 133,000 acres of added roadless areas include portions of congressionally-designated LUD II areas not included as IRAs under the 2001 Roadless Rule, currently unroaded small islands, and unroaded areas greater than 5,000 acres as identified by prior forest planning efforts. Adding additional roadless designations to unroaded islands provides for long-term, continued recreational and outfitter and guide opportunities on these islands.

After removals and additions, Alternative 2 consists of 9.22 million inventoried roadless acres or about 20,000 more roadless acres than under Alternative 1. The 9.22 million acres are designated to three ARA land management categories including LUD II Priority, Watershed Priority, and Roadless Priority (see Map 2 in map packet or on thumb drive).

Alternative 2 applies the most protective ARA, Watershed Priority, to 3.25 million acres, primarily identified as T77 Watersheds and TNC/Audubon Conservation Priority Areas. The Watershed Priority ARA is considered most protective because it includes fewer exceptions than the 2001 Roadless Rule, while still allowing activities needed for fisheries protection, maintenance, or improvement.

Alternative 2 converts a net of 18,000 old-growth acres and 10,000 young-growth acres, previously identified as unsuitable timber lands, to suitable timber lands.

## Alternative 3

Alternative 3 provides moderate additional timber harvest opportunities. Alternative 3 maintains roadless designations for T77 Watersheds and TNC/Audubon Conservation Priority Areas inside roadless areas and also prohibits old-growth harvest in these areas outside of roadless areas (similar to the Forest Plan). Additional timber harvest opportunity is provided by removing substantially-altered roadless areas (including roaded roadless, similar to Alternative 2) and extending the bounds of these areas to logical end points of existing road and timber harvest systems (about 212,000 acres), generally defined as the nearest watershed boundary (i.e., ridgeline of 14th-field hydrologic unit) from an existing road system. Removing these areas from the roadless inventory represents the logical extensions of substantially

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<sup>1</sup> The original acreage of inventoried roadless areas on the Tongass was approximately 9.34 million acres. As a result of ownership changes and boundary alignment corrections, including shoreline mapping adjustments, the current acreage is 9.2 million acres.

altered acres from existing infrastructure and likely encompasses the more economically feasible locations for future timber harvest with the least impact to roadless characteristics. Additional timber harvest opportunity is provided by the designation of Community Priority<sup>2</sup> ARA: Yakutat, Juneau, Sitka, Ketchikan, and Wrangell.<sup>3</sup> However, based on cooperating agency input, the Community Priority should have also been applied around the communities of Hydaburg and Kake. Application of the Community Priority to Hydaburg and Kake will occur in the FEIS, contingent on additional public comments during the DEIS comment period.

Alternative 3 removes approximately 1.2 million acres from roadless designation including both development and non-development LUD acres. Alternative 3 adds 105,000 acres to ARAs as Roadless Priority including unroaded small islands and unroaded areas greater than 5,000 acres as identified by prior forest planning efforts. Adding additional roadless designations to unroaded islands provides for long-term, continued recreational and outfitter and guide opportunities on these islands.

Alternative 3 applies the most protective ARA, Watershed Priority, to 3.21 million acres primarily identified as T77 Watersheds and TNC/Audubon Conservation Priority Areas. The Watershed Priority ARA is considered most protective because it includes fewer exceptions than the 2001 Roadless Rule, while still allowing activities needed for fisheries protection, maintenance, or improvement. Additionally, for Alternative 3, commercial old-growth timber harvest would be prohibited on NFS lands in T77 and TNC/Audubon Conservation Areas including those that extend beyond ARA boundaries. The remaining roadless areas include 4.65 million acres in Roadless Priority and 0.24 million acres in Community Priority (see Map 3 in map packet or on thumb drive).

Alternative 3 proposes a net decrease of 1.1 million roadless acres, as compared to the no action alternative, and includes both development and non-development LUDs. Roadless area designation would be removed from the 826,000 congressionally-designated LUD II acres that are currently within an IRA. The removal of roadless designation from congressionally-designated LUD II acres represents the majority of the decrease in designated roadless acres proposed under Alternative 3. Removing roadless designation from LUD II acres affirms original congressional intent that LUD II areas be managed “in a roadless state to retain their wildland character” (USDA Forest Service 2016a).

Alternative 3 would convert a net of 76,000 old-growth acres and 14,000 young-growth acres, previously identified as unsuitable timber lands, to suitable timber lands.

## Alternative 4

Alternative 4 provides significant additional timber harvest opportunity while maintaining roadless designations for Scenic Viewsheds and T77/TNC-Audubon Conservation Priority Areas that are in roadless areas. Approximately 375,000 acres are removed from roadless designation, including substantially-altered areas and logical extensions of substantially-altered acres (similar to Alternatives 2 and 3), along with selected additional locations for economic timber sales. These acres are also converted from unsuitable to suitable timber lands, resulting in significant additional timber harvest opportunity. Protection is maintained for Scenic Viewsheds, and most T77 Watersheds and TNC/Audubon Conservation Priority Areas by designating them as Roadless Priority ARAs.

Additionally, Alternative 4 adds 32,000 acres as LUD II Priority ARA. These added roadless acres are LUD II areas that were not designated as IRA under the 2001 Roadless Rule. No additional lands would be added to ARAs.

The net result of removals and additions under Alternative 4 is 8.86 million roadless acres, which are designated into three categories of ARAs: LUD II Priority, Roadless Priority, and Timber Priority (see Map 4 in map packet or on thumb drive). This alternative was developed to provide for a high level of timber management opportunities thus, timber management is permitted in the Timber Priority ARA, which consists of the Timber Production and Modified Landscape LUDs, as identified in the Forest Plan.

<sup>2</sup> Timber harvest in Community Priority ARAs would be limited to micro sales, salvage sales, and small commercial sales less than one MMBF in size.

<sup>3</sup> The Forest Service is seeking public input on this management category, specifically with respect to whether this designation should be applied to other communities/areas.

Alternative 4 proposes a net decrease of 343,000 roadless acres as compared to the no action alternative. However, the total net decrease is substantially higher when also including Timber Priority ARA acres, yielding a combined decrease of 1.09 million total acres.

Alternative 4 converts a net of 158,000 old-growth acres and 15,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.

## Alternative 5

Alternative 5 provides maximum additional timber harvest opportunity by removing all Timber Development, Modified Landscape, and Scenic Viewshed LUDs identified by the Forest Plan from roadless designation, including T77 Watersheds and TNC/Audubon Conservation Priority Areas within aforementioned development LUDs. Areas with mineral potential, as identified by the Forest Plan's minerals overlay, are also removed from roadless designation (see Map 5 in map packet or on thumb drive).

In total, 2.30 million acres would be removed from roadless area designation including mineral overlay acres and the majority of development LUDs including conservation-designated acres. The remaining 6.91 million roadless acres are designated to two ARAs: LUD II Priority and Roadless Priority (see Map 5 in map packet or on thumb drive). Alternative 5 also converts a net 165,000 old-growth acres and 17,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands.

## Alternative 6 (Preferred Alternative)

Alternative 6 is the preferred alternative and provides maximum additional timber harvest opportunity as the full exemption alternative, which was requested by the State of Alaska's petition (Appendix A). It removes all 9.2 million inventoried roadless acres on the Tongass from roadless designation. Acres removed from roadless designation would continue to be managed by the Forest Plan (see Map 6 in map packet or on thumb drive).

Alternative 6 would exempt the Tongass from the 2001 Roadless Rule with the following provision

- (a) The 2001 Roadless Area Conservation Rule as published in the Federal Register on January 12, 2001 (66 FR 3244) shall not apply to the Tongass National Forest.

Alternative 6 converts a net total of 165,000 old-growth acres and 20,000 young-growth acres previously identified as unsuitable timber lands to suitable timber lands and includes an administrative correction and modification provision for the Chugach National Forest only. Table 2-8 summarizes the key elements of Alternative 6.

## Preferred Alternative

The U.S. Department of Agriculture has identified Alternative 6 as the preferred alternative. The Forest Service is seeking public input on the DEIS and the preferred alternative.

## Comparison of the Alternatives

This section briefly compares the environmental consequences of the six alternatives with respect to the significant issues described in Chapter 1. This comparison is based on the effects analyses presented in Chapter 3. For reference, Table ES-2 summarizes the acres by ARA, the acres removed or added from roadless, and the total old-growth acres that are suitable for timber production under Alternative 1 and the five action alternatives. Figure ES-1 displays the ARAs by alternative and management category.

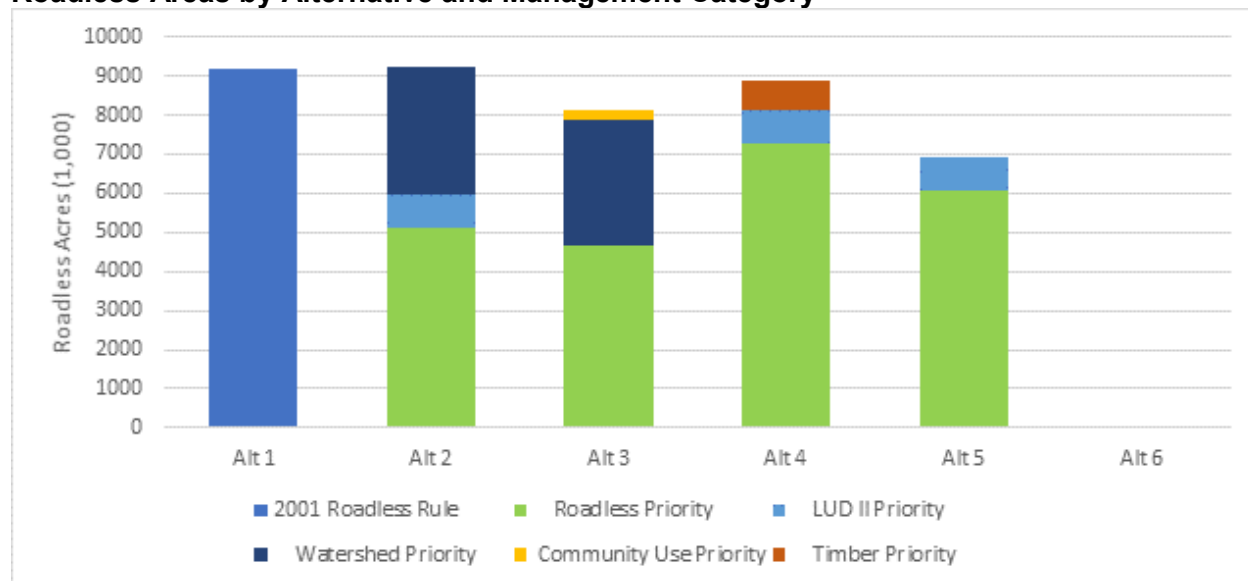
**Table ES-2**  
**Roadless Areas by Alternative and Management Category**

Roadless Category (acres)	Alternative					
	1	2	3	4	5	6
	No Action	Roaded Roadless	Logical Extension	Partial Dev. LUDs <sup>1</sup>	All Dev. LUDs	Full Exemption
Total Roadless Area	9,200,000	9,220,000	8,103,000	8,857,000	6,905,000	0
<b>ARA Management Categories</b>						
LUD II Priority	N/A	856,000	0	856,000	828,000	0
Watershed Priority	N/A	3,250,000	3,208,000	0	0	0
Roadless Priority	N/A	5,114,000	4,653,000	7,252,000	6,078,000	0
Community Priority	N/A	0	241,000	0	0	0
Timber Priority	N/A	0	0	749,000	0	0
<b>Change in Roadless Area Acres</b>						
Roadless Area Removed	0	113,000	1,202,000	375,000	2,298,000	9,200,000
Roadless Area Added	0	133,000	105,000	32,000	3,000	0
Net Change	0	20,000	-1,098,000	-343,000	-2,295,000	-9,200,000
<b>Old-Growth Acres Suitable for Harvest</b>						
Total Acres	230,000	247,000	305,000	388,000	395,000	395,000
Net Change	0	18,000	76,000	158,000	165,000	165,000
<b>T77 &amp; TNC/ Audubon Conservation Priority Areas Outside of Roadless given Long-term Regulatory Protection</b>						
Total Acres	0	0	377,000	0	0	0

N/A = not applicable

<sup>1</sup> Includes Timber Production and Modified Landscape LUDs, but not Scenic Viewshed.

**Figure ES-1**  
**Roadless Areas by Alternative and Management Category**



## Key Issue 1 – Roadless area conservation

Roadless area protection is defined in terms of both the acres designated as roadless and the degree of protection provided by each alternative. In terms of acres designated, Alternatives 1 and 2 provide the highest degree of regulatory protection with 9.2 million acres or more designated as roadless and Alternative 6 provides the lowest with zero acres of designated roadless given regulatory prohibitions.

Alternative 5 removes all regulatory roadless designations within development LUDs<sup>4</sup> and has the second lowest number of acres designated roadless with 6.9 million acres.

Alternatives 3 and 4 are intermediate in terms of the acres designated as roadless. However, the roadless designations provided in development LUDs by Alternative 4 is lower than for Alternative 3 because all Timber Priority ARA lands under Alternative 4 are in development LUDs and Alternative 3 would designate T77 Watersheds and TNC/Audubon Conservation Priority Areas as Watershed Priority ARAs. In addition, the removal of roadless designation from LUD II acres accounts for a large share of the reduction in designated roadless area acres under Alternative 3. These acres would retain their congressional protections and be managed to preserve roadless area characteristics (Table 2-10). Therefore, protection of roadless characteristics is much greater under Alternative 3 compared with Alternative 4.

The roadless rule language under Alternative 1 would be unchanged from the 2001 Roadless Rule (as reinstated by the District Court). The rule language would be modified under Alternatives 2, 3, 4, and 5; under Alternative 6, the 2001 Roadless Rule would fully exempt the Tongass. The Roadless Priority and LUD II Priority management categories would be very slightly more permissive in terms of road construction, salvage timber harvest, and mineral development, and would be slightly more permissive in terms of energy and transportation project development. The Watershed Priority ARA would be slightly less permissive relative to all of the development types and the Community Priority and Timber Priority categories under Alternatives 3<sup>5</sup> and 4, respectively, would be substantially more permissive of development types, especially timber harvest and road construction.

As a result, Alternatives 1, 2, and 3 would provide the greatest protection of roadless characteristics. Alternative 1 would protect the most acres and existing management direction would provide the highest degree of protection, with the existing general prohibitions remaining in place for all areas. Alternative 2 would offer similar levels of protection, with a small net gain in total designated roadless acres. The roadless and other substantially altered areas that would be removed under Alternative 2 have limited roadless characteristics, and increased regulatory protection would be added for the Watershed Priority ARA. Alternative 3 would offer the next most protection of roadless area characteristics. Roadless and other substantially altered areas along with logical extension areas would be removed under Alternative 3 (as well as LUD II areas), and most ARAs would be managed as Roadless Priority or Watershed Priority ARAs. Additionally, T77 Watersheds and TNC/Audubon areas outside of roadless would be given regulatory protection from old-growth harvest. About 3 percent of ARAs under Alternative 3 would be designated as Community Priority, which allows limited timber harvest opportunity. Alternatives 4 through 6 would provide the least amount of roadless designations, with Alternative 6 removing all acres from regulatory roadless designation.

## **Key Issue 2 – Support local and regional socioeconomic well-being, Alaska Native culture, rural subsistence activities, and economic opportunity across multiple economic sectors.**

Support for Southeast Alaska resource-based industries and local/regional socioeconomic well-being is compared among the alternatives by industry/category in the following subsections.

### **Forest Products Industry**

The 2016 Forest Plan established an average annual PTSQ of 46 MMBF prior to the young-growth transition. The old-growth contribution to the PTSQ is expected to start out high and decrease over time as more young growth becomes economic to harvest. During the first decade, an average of about 12 MMBF of young growth and 34 MMBF of old growth was expected to be sold annually. From Year 11

<sup>4</sup> Note that, with the exception of the Timber Priority management category, roadless designation on development LUDs provides the highest degree of protection, because these are areas that are mostly likely to be developed if they were not designated roadless. Most non-development LUDs have Forest Plan restrictions which limit their potential for development.

<sup>5</sup> Timber harvest in Community Priority ARAs would be limited to micro sales, salvage sales, and small commercial sales less than one MMBF in size.

through Year 15 an average of about 28 MMBF of young growth and 18 MMBF of old growth were expected to be sold annually. Old-growth volume offered was projected to decrease until it reaches 5 MMBF per year (expected to occur about Year 16), at which point it is to be stabilized at 5 MMBF per year to support small operators and specialty products such as wood for musical instruments. Young growth sales are expected to continue to increase at a rapid rate after Year 16 and are expected to reach an upper limit of 98 MMBF about Year 18. If less than the average annual PTSQ figure of 46 MMBF is sold in the early years of a decade, the Forest Plan allows the difference to be added to the sale quantity for the remainder of the decade. During the initial two years of implementing the 2016 Forest Plan, the total volumes sold were 30.7 MMBF (fiscal year 2017) and 9.0 MMBF (fiscal year 2018).

None of the action alternatives would result in changes to the PTSQ and the timber objectives of the Forest Plan would continue to require transitioning to primarily young-growth harvest. Therefore, harvest levels are not expected to vary significantly among the alternatives. However, the alternatives do vary in terms of the amount and location of acres suitable for timber production. Greater acreage of suitable land would provide greater flexibility in the selection of future timber sale areas, as well as the potential for more flexibility in sale design, depending on the planning areas selected. This improved flexibility could, in turn, improve the Forest Service's ability to offer economic sales that meet the needs of industry. This greater flexibility could be beneficial during the first two decades of the 2016 Forest Plan (the transition period), when most old-growth harvest would take place.

Under Alternative 1, about 230,000 acres of old growth and 334,000 acres of young growth are currently suitable for timber production. The young-growth suitable acres would increase slightly (3 through 6 percent) under the action alternatives. For old growth, however, the suitable acreage increase would range from 7 percent for Alternative 2 to 72 percent for Alternatives 5 and 6. For Alternatives 3 and 4 the increase would be 33 percent and 69 percent, respectively. Suitable old-growth acres would be added in three broad categories or areas: roaded roadless and other substantially altered areas (Alternatives 2 through 6); logical extension areas and areas adjacent to roads (Alternatives 3 to 6); and areas more distant from roads (Alternatives 4 through 6). In addition, suitable old-growth acres would be added in Community Priority ARAs, which are associated with five communities (Alternative 3).<sup>6</sup> The substantially altered areas removed, the areas immediately adjacent (logical extensions), and the Community Priority ARAs are assumed to be more economical to harvest due to their proximity to existing infrastructure. The additional acres added under Alternatives 4 through 6 are farther from existing infrastructure and thus less likely to be economic to harvest.

## **Recreation and Tourism**

Changes in land management have the potential to affect outfitter/guide operations which provide commercial recreation opportunities on the Forest. Impacts to existing outfitter/guide use are likely to be greatest where changes in roadless designations allow development in areas that are used for outfitter/guide activities dependent on high scenic integrity and undisturbed landscapes. Changes in roadless area designations could also affect outfitter/guide use in other adjacent or nearby areas as outfitter/guides displaced from one location seek other places to take clients. Some use areas are presently at capacity, which could exacerbate potential displacement effects. Changes in roadless area management could affect the Forest's ability to meet outfitter/guide demand, especially for operators seeking more remote areas.

The outfitter/guide analysis prepared for this DEIS used changes in suitable old-growth acres in conjunction with information on existing outfitter/guide use to focus on potentially affected areas. The resulting analysis identified 15 outfitter/guide use areas where potential conflicts between existing outfitter/guide use and future management activities could occur. In most of these areas, existing outfitter/guide use occurs near areas where development has occurred in the past, either near or along shorelines and/or Forest road systems. Similarly, in most cases, timber harvest that could already occur in these areas (under Alternative 1) have the potential to conflict with existing outfitter/guide use.

Viewed in terms of increases in acres suitable for harvest, impacts under Alternatives 2 and 3 would be nonexistent to very minimal in all areas, with increases in designated roadless acres and reductions in

<sup>6</sup> Timber harvest in Community Priority ARAs would be limited to micro sales, salvage sales, and small commercial sales less than one MMBF in size.

suitable acres occurring in some areas under these alternatives. In most of these areas, by expanding the acres available for harvest, Alternatives 4, 5, and 6 could add to these potential impacts by increasing the geographic extent of the acres affected. These potential impacts caused by an increase in geographic extent due to possible increase in road miles needed.

## Salmon Harvesting and Processing

None of the alternatives are expected to have a significant change to the commercial fishing or fish-processing industries. Riparian Management standards and guidelines established in the 2016 Forest Plan would remain in place under all of the alternatives. While there would be some variation in the level of protection, these variations are not expected to affect the fishing industry. The future of the fishing industry in Southeast Alaska is more likely to depend upon occurrences outside of the Tongass National Forest such as hatchery production, offshore harvest levels, and changes in ocean conditions.

## Mining and Mineral Development

Locatable minerals development is possible within designated roadless areas under all alternatives. The General Mining Act of 1872 authorizes and governs prospecting and mining for economic minerals on federal public lands, including designated roadless areas. Changes in roadless management are, therefore, not expected to affect existing or future locatable mineral exploration or mining activities on the Forest.

Under the 2001 Roadless Rule roadbuilding is prohibited for any new leasable mineral projects, including geothermal projects, within IRAs. Changes in management under Alternatives 2 to 6 would allow road development to differing degrees. Within Roadless and Timber Priority ARAs, roads would be permissible for leasable projects. The Tongass has no recent or current leasable mineral activity and the anticipated demand for leasable minerals is expected to remain low. As a result, changes in designated roadless management are expected to have limited impacts on mineral development.

## Infrastructure Development

With some exceptions, federal and state road development is limited in IRAs. Exceptions include roads with reserved or outstanding rights, roads provided for by statute or treaty, or road development related to a Federal Aid Highway. Roadless designation would be removed to various degrees under the action alternatives with corresponding implications for regional highway development. In most cases, changes in roadless management, as well as changes in the number of acres managed as roadless, would be more permissive with respect to regional road systems.

## Tree Harvest for Alaska Native Cultural Purposes

Alternative 1 does not provide specific exceptions for timber cutting associated with Alaska Native cultural uses. However, Alternatives 2, 3, 4, and 5 do support Alaska Native culture through explicit rule language that allows increased access to cutting, customary trade, and removal of trees for the purposes of Alaska Native customary and traditional uses. This increased access is provided in the Roadless, Watershed, and Community Priority ARAs. Alternative 2 would rank the highest for providing access among the action alternatives containing roadless lands, followed by Alternatives 3, 4, and 5, in that order. Alternative 6 would rank the highest overall, because it would have no restrictions related to roadless designations; but it would provide no protections for designated roadless characteristics, which are important for Alaska Native cultural purposes. Alternative 1 would rank the lowest in terms of providing direct support for Alaska Native tree harvest for cultural purposes.

## Rural Subsistence Activities

The action alternatives are expected to have minimal effects on rural subsistence activities. Timber harvest levels are expected to remain the same for all alternatives, with similar or only slightly different miles of road construction/reconstruction also anticipated. While there would be some new road access under all alternatives in the long run, nearly all new roads constructed under the alternatives would be closed following harvest. These roads would, therefore, not be available for use by highway vehicles or

high-clearance vehicles. They may, however, be available for access by other methods and could, as a result, have the potential to affect existing subsistence patterns. Although overall road miles would be similar, based on the relative distribution of acres suitable for harvest, road miles are expected to be slightly higher for Alternatives 4, 5, and 6. The effects on particular groups of subsistence users or resources are difficult to predict at the programmatic level, but the slight difference in road miles is expected to result in little to no difference to rural subsistence activities between alternatives.

## **Community Effects**

Effects on communities are not expected to be affected in a major way under the action alternatives relative to Alternative 1. The largest effect is expected to be under Alternatives 4, 5, and 6 because these alternatives would result in larger increases in suitable timber within many community areas, especially in those that are more remote (see Appendix E). Of particular concern in this regard are those communities with economies that are dominated by the visitor industry (see Table E-2 in Appendix E). Based on an evaluation of employment and business licenses by community, along with the amount of suitable timber within community areas, the following observations can be made:

- Alternatives 1 and 2 are expected to generally result in no effect on communities. However, because of the nature of this EIS, the effects on any community cannot be identified until specific projects are proposed.
- Alternative 3 is expected to have very minimal effects, both adverse and beneficial. Community Priority ARAs in this alternative may be beneficial to communities by adding more flexibility and control by the communities of adjacent designated roadless areas.
- Alternatives 4, 5, and 6 (especially Alternatives 5 and 6) are expected to result in an increased potential for effects on communities, especially in those communities where the visitor industry sector is the most important. This is primarily because of potential effects on the natural environment within the community areas, which in turn may affect visitor use. The smaller and less diversified communities may have a greater risk of effects. Because of the nature of this EIS, the effects on any community cannot be identified until specific projects are proposed, but it is expected that they would range from no effect to a minimal effect for these alternatives.

## **Key Issue 3 – Conserve terrestrial habitat, aquatic habitat, and biological diversity**

### **Old-Growth Habitat**

Relative to old-growth habitat conservation, all of the alternatives would have old-growth harvest levels similar to the level authorized by the 2016 Forest Plan. There may be slightly more high-volume and large-tree productive old growth (POG) harvested under the action alternatives than was predicted for the Forest Plan because of the increased options for creating economic timber sales. However, this is speculative and depends on harvest levels reaching predicted decadal levels, as well as on being able to economically access these stands. In addition, the proportion of high-volume and large-tree POG in the added suitable acres under the action alternatives is lower than the proportion in the Alternative 1 suitable acres.

The transition to young-growth management would continue to slow the long-term decrease in deer habitat capability due to the reduction in POG harvest, under all of the alternatives. Because long-term POG harvest and road densities are not expected to differ significantly among alternatives, effects on old-growth-dependent wildlife species are expected to be almost identical to those predicted under the 2016 Forest Plan FEIS.

### **Young Growth in Special Habitats**

Young growth suitable for timber harvest occurs in a number of special habitats under the Forest Plan, including Riparian Management Areas, Beach and Estuary Fringe, and the Old-growth Habitat LUD. Young growth on specific portions of these areas may be harvested under required silvicultural prescriptions following specific guidelines. The suitable acres of young growth on these special habitats would increase

slightly under the action alternatives, but only slightly because the majority of existing young-growth stands are not in designated roadless areas. Therefore, little to no difference among the alternatives is expected.

## Road Density

Although slightly more road miles may be developed under the action alternatives, the average road densities on NFS lands and the percent of Wildlife Analysis Areas with road density less than 0.7 miles per square mile are expected to be similar to that predicted under the Forest Plan. Although it is impossible to precisely predict future road miles under the alternatives, it is likely that Alternatives 1 and 2 would be virtually the same, Alternative 3 may have slightly more road miles, and Alternatives 4, 5, and 6 would have the most road miles because they add more remote suitable timber acres, which may require the development of new road systems. This assumes that more distant areas would be harvested under Alternatives 4, 5, and 6. Harvest in these areas is generally considered less likely to be economic due to the need to build more roads.

## Fish Habitat

Overall effects to fish habitat are expected to be negligible under all alternatives, because of the strong protections to fish habitats provided by Forest Plan LUDs, Forest-wide standards and guidelines including the riparian management strategy, and the lack of old-growth harvest or associated road construction allowed in the T77 watersheds and TNC /Audubon Conservation Priority Areas. Alternative 3 provides additional long-term regulatory protection for T77 watersheds and TNC/Audubon Conservation Priority Areas by prohibiting old-growth harvest by regulation. Localized effects on fish habitat may occur, but these are expected to be minimal overall.

## Species-Specific Effects

The transition to young-growth management would continue to slow the long-term decrease in deer habitat capability due to the reduction in POG harvest, under all of the alternatives. Because long-term POG harvest and road densities are expected to be similar to those under the Forest Plan, effects on old-growth dependent wildlife species are expected to be almost identical to those predicted by the 2016 Forest Plan FEIS.

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CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 12-19-1503

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SUPPORTING ROADLESS RULE ALTERNATIVE SIX (6)

WHEREAS, 97% of the land within the City & Borough of Wrangell is within the Tongass National Forest; and

WHEREAS, the US Forest Service Draft Environmental Impact Statement Rulemaking for Alaska Roadless Areas includes six alternatives; and

WHEREAS, the US Department of Agriculture Preferred Alternative is Alternative Six, complete exemption of the Tongass from the Roadless Rule; and

WHEREAS, Alternative Six provides the most leeway for future unknown opportunities within the Tongass National Forest; and

WHEREAS, the Tongass Land Management Plan and Land Use Designations (LUDs) provide adequate protection for the forest, preventing the redevelopment of large-scale timber harvesting in the Forest; and

WHEREAS, education about the Forest Plan, LUDs and other rules guiding forest management is the most important way for the public to understand the potential impacts to, and protections of, the Tongass

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1. The Assembly of the City & Borough of Wrangell, Alaska supports Roadless Rule Alternative Six (6).

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10<sup>TH</sup> Day of December, 2019.

CITY & BOROUGH OF WRANGELL

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST:\_\_\_\_\_  
Kim Lane, Borough Clerk

USDA Forest Service  
Attn: Alaska Roadless Rule  
P.O. Box 21628  
Juneau, Alaska, 99802

Email: [akroadlessrule@fs.fed.us](mailto:akroadlessrule@fs.fed.us)

Re: City and Borough of Wrangell comments on the Draft EIS Rulemaking for Alaska Roadless Area.

Dear USFS:

The City and Borough of Wrangell supports Alternative 6 of the Draft EIS Rulemaking for Alaska Roadless Area. The Wrangell Borough Assembly also requests that the USFS hold community education workshops in Wrangell and any other community requesting the information regarding the current protections in place, and within each Land Use Designation on the Tongass Land Management Plan, especially in those areas that are proposed for exemption.

Below are a number of issues that the Wrangell Borough Assembly are concerned about and want addressed in whatever Alternative or variation of alternative is selected as the Final Decision.

The Wrangell Borough Assembly want to ensure that there is flexibility and future opportunities for transportation corridors, utility infrastructure, and other business opportunities in the Tongass National Forest. The Assembly supports the existing protections within the Tongass Land Management Plan and wants to see the continued transition to harvesting of young growth timber in order to protect wild life corridors and unique habitats. The Borough supports removal of the roaded roadless areas to allow continued access, multiple uses and road maintenance to areas already being used for small sales, subsistence and recreation.

The Wrangell Borough Assembly was interested in being able to maintain current and construct potential future transportation corridors, for example a road to Fool's Inlet on the south end of Wrangell Island should a ferry system creating day-runs actually ever materialize. Some of these corridors have been reserved by the State of Alaska Department of Transportation, but in the future, a need or connection might need to be made that isn't currently planned for. Keeping options available is critical to future growth. Known and unknown utility corridors were also of interest. Maybe windpower or hydro power (ie Sunrise Lake) could show tremendous benefits. And while the Committee recognized that there are additional regulations that might still permit some of these activities, concern that they might not and lack of education as to what could be permitted thus creates support for maintaining opportunities and utilizing existing forest plans to provide environmental protection and allow diversity of opportunities. There needs to be maximum flexibility to address future community needs such as hydro, wind power development, electric power

transmission, mining, community water supply, uplands support of mariculture projects, transportation links and other economic development projects which could be hindered by continued roadless designation.

The Wrangell Borough Assembly desires environmental protections for critical areas yet does not want to foreclose future access and opportunities. The Borough requests the USFS to provide community workshops regarding how the current Tongass Land Management Plan protects the critical areas that Wrangellites are concerned about, so the public has a better understanding of the protections that are in place without the need to designate roadless areas.

DRAFT

Date: November 26, 2019

To: Borough Assembly

Cc: Economic Development Committee

From: Carol Rushmore, Economic Development Director

The Economic Development Committee (EDC) moved to recommend to the Assembly to support Alternative 6 of the Draft EIS Rulemaking for Alaska Roadless Areas, in addition to requesting USFS hold community education workshops on the Tongass Land Management Plan and its current protections.

After considerable discussion, the EDC made the above recommendation, requesting the following comments be provided to the Assembly to provide background and understanding for their recommendation. Committee members that attended the USFS public meeting believed many concerns voiced by residents during the meeting were based on lack of information about the strong protections that are already in place through the existing Tongass Land Management Plan, hence, the EDC's request for community educational workshops.

The statement that one hears in relation to a complete exemption is that this opens up the Tongass National Forest to widescale logging. The Committee clearly understood from the public meeting and the information provided that this is not the case because the existing Tongass Land Management Plan and the underlying Land Use Designations (LUDs) still guide what can and cannot be done in the different areas of the Forest. The Roadless Area encompasses non-development and development LUDs. Without the exemption, there is concern that future opportunities (known or unknown) and flexibility for residents and communities are eliminated or severely restricted.

The Committee felt that the existing Forest Plan and all subsequent plans (for example the Wrangell Island Sale Plan, the upcoming Central Tongass Plan) provide necessary environmental protections (protection for old growth forests, watersheds, wildlife), encourage multiple uses of the forest, allow for public comment regarding each proposed activity, as well as allow for maintenance and improvements to existing infrastructure and potential for new future infrastructure (e.g. development of new local water, wind, communication towers, or hydroelectricity sources). The EDC supports removal of the roaded roadless areas to allow continued access, multiple uses and road maintenance to areas already being used for small sales, subsistence and recreation.

The Committee expressed concerns of key areas within Wrangell area (Anan Creek area, Mill Creek, Stikine River), but as information was provided, these areas are already under protective status based on special designations. Other areas of local interest may find limitations in impacts due to scenic priority routes, watershed protections, Old Growth Reserves etc.

The Committee was concerned about the continued harvest of Old Growth and acknowledge that existing Forest Plan transitions into a young growth harvesting plan. They were also concerned that the focus of the Draft EIS focused narrowly on timber harvesting rather than looking at other industries, opportunities and community needs.

The Committee supported small-scale logging efforts and felt opportunities should be available as community needs change. They agreed that large-scale logging efforts are largely gone, that the industry infrastructure and markets are no longer available, and that the current Forest Plan's transition to young growth, along with land use designations and standards and guides protect the Forest from future large scale demands. The process the USFS has to initiate any sale or approve any land use request is sufficient to protect the habitat and wildlife and also ensure community uses, and public use opportunity and growth.

The Committee was interested in being able to maintain current and potential transportation corridors, for example a road to Fool's Inlet should a ferry system creating day-runs actually ever materialize. Some of these corridors have been reserved by the State of Alaska Department of Transportation, but in the future, a need or connection might need to be made that isn't currently planned for. Keeping options available is critical to future growth. Known and unknown utility corridors were also of interest. Maybe windpower or hydro power (ie Sunrise Lake) in a current roadless area could show tremendous benefits. And while the Committee recognized that there are additional regulations that might still permit some of these activities, concern that they might not and lack of education as to what could be permitted thus turns Committee support to maintaining opportunities and utilizing existing forest plans to provide environmental protection and allow diversity of opportunities. The Committee felt there needs to be maximum flexibility to address future community needs such as hydro, wind power development, electric power transmission, mining, community water supply, uplands support of mariculture projects, transportation links and other economic development projects which could be hindered by continued roadless designation.

The misinformation being repeated that the 'salmon is now healthy because there is no more logging' has no factual basis. For example, pink salmon runs have been depressed in the last five years with very limited logging, and yet the best pink salmon runs this summer were to streams on POW Island, which has had the highest concentration of logging in the region. For decades, the USFS has not allowed logging practices that harm salmon streams. The Roadless Rule doesn't add protection, but rather locks up land and removes future opportunity.

The EDC supports the simplification of regulations, while fully recognizing the complexity of the issue. The EDC desires environmental protections for critical areas yet does not want to foreclose future access and opportunities. The EDC requests the USFS to provide community workshops regarding how the current Tongass Land Management Plan protects the critical areas that Wrangellites are concerned about, so the public has a better understanding of the protections that remain in place.

DRAFT CVB Recommendation:

(This recommendation is preliminary based on comments of the CVB during a worksession but has not been voted on by the Bureau board)

CVB supports Alternative 2, with the Community Use priorities in Alternative 3 added to it, and recommends exempting already roaded roadless areas.

## Alaska Roadless Rule Exemption:

Here are links to some of the pages that you might need. This is actually a very complicated issue. The USFS has an interactive map, but it is sort deceiving. As you take away the roadless areas per the various alternatives presented, it doesn't necessarily mean you can still do anything you want on that land area... activities are still subject to not only the Tongass Forest Plan requirements, but also to the underlying Land Use Designation (LUD) (similar to a zoning designation

Roadless Rule Project page (go to tab Analysis) <https://www.fs.usda.gov/project/?project=54511>

Alaska Roadless Rule: <https://www.fs.usda.gov/roadmain/roadless/alaskaroadlessrule>

### The Draft

EIS: [https://www.fs.usda.gov/nfs/11558/www/nepa/109834\\_FSPLT3\\_4876629.pdf](https://www.fs.usda.gov/nfs/11558/www/nepa/109834_FSPLT3_4876629.pdf)

Chapter 2 provides a more indepth analysis of the six alternatives. [https://www.fs.usda.gov/nfs/11558/www/nepa/109834\\_FSPLT3\\_4877255.pdf](https://www.fs.usda.gov/nfs/11558/www/nepa/109834_FSPLT3_4877255.pdf)

The State of Alaska Citizen Advisory Committee report re. full or partial roadless exemption: [http://www.alaska.forestry.org/sites/default/files/ak/AKRoadlessRuleCitizenAdvisoryCommittee\\_FinalReport11212018.pdf](http://www.alaska.forestry.org/sites/default/files/ak/AKRoadlessRuleCitizenAdvisoryCommittee_FinalReport11212018.pdf)

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	12/10/2019
	<u>Agenda Section</u>	<b>13</b>

RESOLUTION NO. 12-19-1504 OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2020 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FISHERIES MANAGEMENT IN FMA 18: CENTRAL SOUTHEAST

<u>SUBMITTED BY:</u>
Joyce Mason, Finance Director

<u>Reviews/Approvals/Recommendations</u>	
<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

<u>FISCAL NOTE:</u>		
<b>Estimated Revenue:</b> \$4,188.03 Total		
FY 20: \$4,188.03	FY 21: \$	FY22: \$
<b>Amount Budgeted:</b>		
FY20 \$0		
<b>Account Number(s):</b>		
74010 000 4190		
<b>Account Name(s):</b>		
Fisheries Business Tax (State Of AK)		
<b>Unencumbered Balance(s) (prior to expenditure):</b>		
\$0		

ATTACHMENTS: 1. Resolution No. 12-19-1504; 2. Community Payment Summary

### RECOMMENDATION MOTION:

Move to Approve Resolution No. 12-19-1504.

### SUMMARY STATEMENT:

Each year the State of Alaska collects a state fish tax outside municipal boundaries and allocates the tax with municipalities affected by fishing industry activities. This year the Central Southeast

Area has \$30,985.91 to allocate to the nine communities in the area. The City and Borough of Wrangell will receive \$4,188.03 this year. A resolution is required by the state to receive these funds.

In FY20 the Borough budgeted \$0 from this revenue source. Once the payment is received a resolution amending the budget to accept the revenue will be brought back to the Assembly for action. The past three fiscal years the Borough has received the following amounts in Shared Fisheries Business Tax revenue:

2017	\$12,452.75
2018	\$11,155.61
2019	\$10,375.69

As can be seen the amount being received in this fiscal year is down significantly from previous years. This payment is based on fishing that occurred in 2018, so two years prior. It is an indicator of poor fish returns in the region during that timeframe.

	2017	\$12,452.75
2018		\$11,155.61
2019		\$10,375.69

## CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 12-19-1504

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, ADOPTING AN ALTERNATIVE ALLOCATION METHOD FOR THE FY 2020 SHARED FISHERIES BUSINESS TAX PROGRAM AND CERTIFYING THAT THIS ALLOCATION METHOD FAIRLY REPRESENTS THE DISTRIBUTION OF SIGNIFICANT EFFECTS OF FISHERIES BUSINESS ACTIVITY IN FISHERIES MANAGEMENT IN FMA 18: CENTRAL SOUTHEAST

WHEREAS, AS 29.60.450 requires that for a municipality to participate in the FY 2020 Shared Fisheries Business Tax Program, the municipality must demonstrate to the Department of Community and Economic Development that the municipality suffered significant effects during calendar year 2018 from fisheries business activities; and

WHEREAS, 3 AAC 134.060 provides for the allocation of available program funding to eligible municipalities located within fisheries management areas specified by the Department of Commerce, Community, and Economic Development; and

WHEREAS, 3 AAC 134.070 provides for the use, at the discretion of the Department of Commerce, Community, and Economic Development, of alternative allocation methods which may be used within fisheries management areas if all eligible municipalities within the area agree to use the method, and the method incorporates some measure of the relative significant effect of fisheries business activity on the respective municipalities in the area; and

WHEREAS, the Assembly of the City and Borough of Wrangell proposes to use an alternative allocation method for allocation of FY 2020 funding available within the Fisheries Management Area 18: CENTRAL SOUTHEAST in agreement with all other municipalities in this area participating in the FY 2020 Shared Fisheries Business Tax Program.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, by this resolution, certifies that the following alternative allocation method fairly represents the distribution of significant effects during 2018 of fisheries business activity in the Fisheries Management Area 18: CENTRAL SOUTHEAST:

**All municipalities share equally 50% of allocation; all municipalities share remaining 50% on a per capita basis.**

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10<sup>TH</sup> Day of December, 2019.

CITY & BOROUGH OF WRANGELL

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## MA 18: Central Southeast Area

LONG

Total allocation: 50% Divided 50% per capita

\$30,985.91 \$15,492.95 \$15,492.95

Community	Population	50% divided share	50% per capita share	Calculated Allocation	Reference Number	Total Distribution
City of Coffman Cove	168	\$1,721.44	\$170.81	\$1,892.25	20-SF18-01	\$ 1,892.25
City of Edna Bay	43	\$1,721.44	\$43.72	\$1,765.16	20-SF18-02	\$ 1,765.16
City of Kake	601	\$1,721.44	\$611.06	\$2,332.49	20-SF18-03	\$ 2,332.49
City of Kupreanof	27	\$1,721.44	\$27.45	\$1,748.89	20-SF18-04	\$ 1,748.89
City of Pelican	68	\$1,721.44	\$69.14	\$1,790.58	20-SF18-05	\$ 1,790.58
Petersburg Borough	3,198	\$1,721.44	\$3,251.51	\$4,972.95	20-SF18-06	\$ 4,972.95
City of Port Alexander	55	\$1,721.44	\$55.92	\$1,777.36	20-SF18-07	\$ 1,777.36
City and Borough of Sitka	8,652	\$1,721.44	\$8,796.76	\$10,518.20	20-SF18-08	\$ 10,518.20
City and Borough of Wrangell	2,426	\$1,721.44	\$2,466.59	\$4,188.03	20-SF18-09	\$ 4,188.03
<b>Totals</b>	<b>15,238</b>	<b>\$15,492.95</b>	<b>\$15,492.95</b>	<b>\$30,985.91</b>		<b>\$ 30,985.91</b>
Community Count	9					

9/1/2000

\* All municipalities share 50% of allocation equally; share remaining 50% on a per capita basis.

Item b.

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>13</b>

**RESOLUTION No 12-19-1505** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA SETTING THE STRATEGIC ASSET ALLOCATION OF THE PERMANENT FUND AT 55% EQUITY AND 45% FIXED INCOME

SUBMITTED BY:

Joyce Mason, Finance Director

FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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**Amount Budgeted:**

	FY20 \$XXX
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**Account Number(s):**

	XXXXXX XXX XXXX
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**Account Name(s):**

	Enter Text Here
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**Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Resolution No. 12-19-1505.

**RECOMMENDATION MOTION:**

Move to Approve Resolution No. 12-19-1505

**SUMMARY STATEMENT:**

Alaska Permanent Capital Management has outlined investment allocations in the Investment Management proposal for the Borough's permanent fund according to the risk to the principal and earnings potential. The asset classes with 55% Equity / 45% Fixed income provides investments

in a range of funds that will offer the opportunity to receive earning from the appreciation of the stock market while providing a percentage of the assets are invested in low risk investments such as US treasury bills. The following table outlines in detail the types of investment for the 55% Equity – 45% Fixed income group.

### Strategic Asset Allocation 55% Equity

The Asset Allocation Plan and Target Weightings with range restrictions are as follows:

Asset Class	Target	Min	Max
<b>EQUITY</b>	<b>47%</b>		
U.S. Large-Cap Equity	22%	12%	32%
U.S. Mid-Cap Equity	7%	0%	15%
U.S. Small-Cap Equity	3%	0%	6%
International Developed Equity	10%	5%	15%
Emerging Markets Equity	5%	0%	10%
<b>ALTERNATIVES</b>	<b>8%</b>		
Real Estate	2%	0%	5%
Infrastructure	3%	0%	6%
Commodities	3%	0%	6%
Alternative Beta	0%	0%	10%
<b>FIXED INCOME</b>	<b>45%</b>		
U.S. Fixed Income	25%	15%	35%
TIPS	10%	5%	15%
International Bonds	5%	0%	10%
Cash	5%	0%	10%

The estimated return rate is 6%. The expected sustainable annual distribution rate based upon this allocation is 3.7%.

### Benchmarks

The performance of the Fund and investment managers will be measured against the Target Weighting as follows:

- Performance measurement of the U.S. Fixed Income allocation will be measured against the Target weighting, using the Bloomberg Barclays US Aggregate Bond Index or a substantially similar index for the benchmark.

- Performance measurement of the U.S. Large-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 500 Index or a substantially similar index for the benchmark.
- Performance measurement of the U.S. Mid-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 400 Mid-Cap Index or a substantially similar index as the benchmark.
- Performance measurement of the U.S. Small-Cap Equity allocation will be measured against the Target weighting, using the Standard & Poor's 600 Small-Cap Index or a substantially similar index as the benchmark.
- Performance measurement of the International Developed Equity allocation will be measured against the Target weighting, using the MSCI EAFE Index or a substantially similar index for the benchmark.
- Performance measurement of the Emerging Markets Equity allocation will be measured against the Target weighting, using the MSCI Emerging Markets Index or a substantially similar index as the benchmark.
- Performance measurement of the Real Estate allocation will be measured against the Target weighting, using the Standard & Poor's US REIT Index or a substantially similar index as the benchmark.
- Performance measurement of the US Treasury Inflation Protected Securities (TIPS) allocation will be measured against the Target weighting, using the Bloomberg Barclays 0-5 Year Treasury Inflation Protected Securities Index or a substantially similar index as the benchmark.
- Performance measurement of the International Bonds allocation will be measured against the Target weighting, using the Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index or a substantially similar index as the benchmark.
- Performance measurement of the Cash allocation will be measured against the Target weighting, using the Citi Group 90 Day T-Bill Index or a substantially similar index as the benchmark.
- Performance measurement of the Infrastructure allocation will be measured against the Target weighting, using STOXX Global Broad Infrastructure Index or a substantially similar index as the benchmark.
- Performance measurement of the Commodity allocation will be measured against the Target weighting, using the Bloomberg Commodity Index or a substantially similar index as the benchmark.
- Performance measurement of the Alternative Beta allocation will be measured against the Target weighting, using the Credit Suisse Liquid Alternative Beta Index or a substantially similar index as the benchmark.

Should the investment manager be required to select a strategic benchmark when implementing a discretionary strategic asset allocation adjustment, the performance will be measured against a commonly accepted performance benchmark that adequately measures the strategy and is unambiguous, measurable, and specified in advance.

## CITY AND BOROUGH OF WRANGELL

RESOLUTION NO. 12-19-1505

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, SETTING THE STRATEGIC ASSET ALLOCATION OF THE PERMANENT FUND AT 55% EQUITY AND 45% FIXED INCOME

WHEREAS, newly adopted Wrangell Municipal Code Section 5.20.130 requires the Assembly to annually set the strategic asset allocation of the permanent fund at least 60 days prior to the end of the fiscal year (except in the initial year of adoption of the ordinance – 2019); and

WHEREAS, Alaska Permanent Capital Management provided five asset allocation options for the Wrangell Permanent Fund; and

WHEREAS, Administration is recommending a strategic asset allocation of 55% Equity and 45% Fixed Income resulting in an anticipated return of 6%.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, THAT:

Section 1: The Assembly adopts the FY20 Strategic Asset Allocation of the Permanent Fund at 55% Equity and 45% Fixed Income.

Section 2: This resolution takes effect immediately upon passage and approval by the Assembly.

PASSED AND APPROVED BY THE ASSEMBLY OF THE CITY & BOROUGH OF WRANGELL, ALASKA THIS 10<sup>TH</sup> Day of December, 2019.

CITY & BOROUGH OF WRANGELL

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>13</b>

**ORDINANCE No 971** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.02.070 OF THE WRANGELL MUNICIPAL CODE TITLED INVESTMENTS PLACED

SUBMITTED BY:

Joyce Mason, Finance Director

FISCAL NOTE:

**Expenditure Required:** \$XXX

FY 19: \$	FY 20: \$	FY21: \$
-----------	-----------	----------

**Amount Budgeted:**

	FY20 \$
--	---------

**Account Number(s):**

**Account Name(s):**

**Unencumbered Balance(s) (prior to expenditure):**

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Ord 971.

**RECOMMENDATION MOTION:**

Move to approve first reading of Ordinance No. 971 and move to a second reading with a Public Hearing, to be held on January 14, 2020.

**SUMMARY STATEMENT:**

Currently the Borough has funds in the operating checking bank account that exceed the normal cash flow needed. It is a Government Finance Officers Association (GFOA) recommended best practice to have at least three months operating cash available. The estimated three-month

balance is \$4 million. The bank account has twelve million as of December 1<sup>ST</sup>. The additional funds need to be invested in short term investments to maximize the earning power of interest.

The ordinance in Chapter 5.02 Investment of Borough Funds, Section 5.02.070 Investments placed, restricts the type of financial institutions to banks and registered broker dealers. The code needs to allow the CBW to invest in investment pools. This ordinance restricts the investment pools to those established in State Statute for public entities.

This code change will allow the Borough to invest with the Alaska Municipal League Investment Pool (AMLIP). The enabling ordinance for that follows this ordinance on this agenda for consideration by the Assembly.

## CITY AND BOROUGH OF WRANGELL, ALASKA

ORDINANCE NO. 971

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AMENDING SECTION 5.02.070 OF THE WRANGELL MUNICIPAL CODE TITLED INVESTMENTS PLACED

BE IT ORDAINED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

[The changes to the existing code are shown as follows: the words that are underlined are to be added and the words that are **[bolded and in brackets are to be deleted]**.]

Section 1. Action. The purpose of this ordinance is to amend Section 5.02.070 of the Wrangell Municipal Code titled Investment Placed.

SEC. 2. Amendment of Section. Section 5.02.070 of the Wrangell Municipal Code is amended to read:

**5.02.070 Investments placed.**

A. Investments may be placed with or through the following financial institutions:

1. Member banks insured by the FDIC or FSLIC; and/or
2. Broker dealers that are members of the New York Stock Exchange (NYSE), members of the Securities Investor Protection Corporation (SIPC) and registered broker dealers in Alaska.
3. Investment pools for public entities established under Alaska Statute Chapter 37.23.

B. To facilitate convenient placement of investments, borough funds up to a combined limit of \$300,000 may be temporarily deposited for a period not to exceed 20 days in a cash management account or U.S. Government Securities money market fund sponsored by the financial institution through which such investments are being placed.

SEC. 3. Effective Date. This ordinance shall become effective immediately upon adoption.

CITY & BOROUGH OF WRANGELL

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Stephen Prysunka, Borough Mayor

ATTEST:

\_\_\_\_\_  
Kim Lane, Borough Clerk

PASSED IN FIRST READING: \_\_\_\_\_, 2019.

PASSED IN SECOND READING \_\_\_\_\_, 2020.

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>13</b>

**ORDINANCE No 972** OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE EXECUTION OF A COMMON INVESTMENT AGREEMENT AMONG POLITICAL SUBDIVISIONS OF THE STATE OF ALASKA AND TO AUTHORIZE BECOMING A MEMBER OF THE ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC.

SUBMITTED BY:

Joyce Mason, Finance Director

FISCAL NOTE:

**Expenditure Required:** \$XXX

FY 19: \$	FY 20: \$	FY21: \$
-----------	-----------	----------

**Amount Budgeted:**

	FY20 \$
--	---------

**Account Number(s):**

**Account Name(s):**

**Unencumbered Balance(s) (prior to expenditure):**

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

**ATTACHMENTS:** 1. Ord 972; 2. AMLIP Introduction; 3. AMLIP Investment Agreement; 4. AMLIP Bylaws; 5. AMLIP Signature Card

**RECOMMENDATION MOTION:**

Move to approve first reading of Ordinance No. 972 and move to a second reading with a Public Hearing, to be held on January 14, 2020.

**SUMMARY STATEMENT:**

The Finance Department is exploring the different institutions to invest Boroughs funds (funds outside of the Permanent Fund). The Alaska Municipal League Investment Pool (AMLIP) offers a greater return on the money than conventional banks. The funds are invested in safe investments,

the funds are available the same day if needed for withdraw, and the borough has the option to have multiple accounts. Currently AMLIP is paying 1.53% which is 1% higher than the banks and the same rate as bonds are yielding.

Over 54 municipalities, boroughs and other government-related agencies invest in the current pool. Please review the attached documentation AMLIP has provided.

The attached (non-codified) ordinance is required to allow for the CBW to invest funds with AMLIP.

For the Assembly's information, AMLIP is managed by Alaska Permanent Capital Management, the same firm the CBW just hired to manage the Borough's Permanent Fund.

There are no fees for investing with AMLIP.

CITY AND BOROUGH OF WRANGELL, ALASKA  
ORDINANCE NO. 972

AN ORDINANCE OF THE ASSEMBLY OF THE CITY AND BOROUGH OF WRANGELL, ALASKA, AUTHORIZING THE EXECUTION OF A COMMON INVESTMENT AGREEMENT AMONG POLITICAL SUBDIVISIONS OF THE STATE OF ALASKA AND TO AUTHORIZE BECOMING A MEMBER OF THE ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC.

WHEREAS, public entities in Alaska, i.e., political subdivisions of the State of Alaska including municipalities, school districts, and regional educational attendance areas, have generally been unable to receive returns on investment of short-term excess funds at levels available to investors having larger amounts of funds to invest; and

WHEREAS, AS 37.23.010-37.23.900 ('Alaska Investment Pool Act') enacted by the 1992 Alaska Legislature provides a means for public entities to join together in an arrangement intended to allow them to combine their short-term excess funds for a higher yield on those funds; and

WHEREAS, the Alaska Municipal League Investment Pool, Inc., an Alaska nonprofit corporation ('Corporation'), has been established pursuant to AS 37.23.010 of the Alaska Investment Pool Act by the Alaska Municipal League to provide investment management and other services to public entities; and

WHEREAS, the Corporation will provide for the pooling of funds of public entities which are members of the Corporation and will seek returns on the investment of those funds commensurate with market conditions; and

WHEREAS, the City and Borough of Wrangell ('Public Entity') is a public entity as defined in the Alaska Investment Pool Act and may wish to become a member and participate in the investment and other services provided through the Corporation.

NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE PUBLIC ENTITY THE CITY AND BOROUGH OF WRANGELL, ALASKA THAT:

Section 1. Authorization of Membership and Agreement. The terms of the Alaska Municipal League Investment Pool, Inc. Common Investment Agreement ('Agreement') attached hereto, including the investment objectives and purposes contained within the Agreement, are hereby approved. The Public Entity is hereby authorized (1) to become a

member of the Corporation and (2) to enter into the Agreement substantially in the form as set forth in Exhibit A and such other documents as are necessary to effectuate that membership and Agreement. The Borough Mayor ('Presiding Officer') or that officer's designee is authorized to execute those documents necessary to establish the Public Entity as a member of the Corporation and for the Public Entity to enter into the Agreement with no further approval or authorization required by this Governing Body. Should the Public Entity hereafter enter into the Agreement, it will thereby accept and be bound by the terms and conditions of the Agreement, and the Articles of Incorporation and Bylaws of the Corporation, copies of which Articles and Bylaws are attached hereto and incorporated by reference.

Section 2. Authorization of Investments. Upon execution of the Agreement by the Public Entity, each officer and employee of the Public Entity who is designated to be responsible for the investment of public funds of the Public Entity pursuant to the Public Entity's ordinance is authorized to transfer public funds of the Public Entity to the Corporation for placement in the Alaska Municipal League Investment Pool ('Pool') created through the Agreement in order to acquire an interest it, provided that such funds will be invested in accordance with the terms of the Agreement and the investment policies as set forth in the Agreement and its exhibits. All such transfers will be made in accordance with the procedures previously adopted by the Public Entity as may be amended from time to time.

Section 3. Effectiveness of and Termination of Membership and Agreement. The Agreement will go into effect upon execution by the Presiding Officer, or that officer's designee, and by the Corporation. The Public Entity's membership in the Corporation and participation in the Pool under the terms of the Agreement will continue until the Presiding Officer terminates that membership and participation by written notice to the Corporation or by the adoption of an ordinance by the Public Entity terminating that membership and participation, whichever first occurs.

Section 4. Further Acts. Each officer of the Public Entity is hereby authorized to take any and all action necessary to enter into the Agreement and the joint investments in the Pool, to carry on the membership of the Public Entity in the Corporation, and to perform any obligations of the Public Entity under that membership and the Agreement.

Section 5. Effective Date. This ordinance shall be effective upon adoption.

PASSED IN FIRST READING: December 10, 2019

PASSED IN SECOND READING: \_\_\_\_\_, 2020

\_\_\_\_\_  
Stephen Prysunka, Mayor

ATTEST: \_\_\_\_\_  
Kim Lane, Borough Clerk

Yes: \_\_\_\_\_

No: \_\_\_\_\_

Absent: \_\_\_\_\_

Abstaining: \_\_\_\_\_

# AMLIP Introduction

*Interest income as a line item to your budget is back!*



# Agenda

*Item e.*

- AMLIP
  - Structure
  - What's Inside It?
  - Is It Safe and Competitive?

# AMLIP Organization

Item e.

## Participating Cities, Boroughs, and School Districts

**Board of Directors**

**Alaska Municipal League  
Office of Executive Director**

*Investment Advisor*  
**Alaska Permanent Capital Management**

*Investment Manager & Custodian*  
**Key Bank**

# 84 Members Represent 174 Accounts

Item e.



Adak, City of  
AIDEA  
Akutan, City of  
Alaska Government Finance Officers  
Association  
Alaska Municipal League  
Alaska Municipal Management Assoc.  
Aleknagik, City of  
Aleutians East Borough  
ANILCO Insurance Associate Inc.  
Anchorage Community Development  
Angoon, City of

Annette Island School District  
Atka, City of  
Atkasuk, City of  
Barrow, City of  
Bethel, City of  
Brevig Mission, City of  
Chevak, City of  
Chuathbaluk, City of  
Cold Bay, City of  
Cordova, City of  
Delta Junction, City of  
Denali Borough  
Dillingham, City of  
Eagle, City of

EEK, City of  
Egegik, City of  
Elim, City of  
Fairbanks North Star Borough  
Fairbanks, City of  
False Pass, City of  
Fort Yukon, City of  
Galena, City of  
Gustavus, City of  
Haines Borough  
Homer, City of  
Hoonah, City of  
Huslia, City of  
Juneau, City and Borough of  
Kake City School District  
Kenai Peninsula Borough  
Kenai, City of  
Ketchikan Gateway Borough  
King Cove, City of  
Kodiak Island Borough  
Kodiak, City of  
Koyuk, City of  
Kotzebue, City of  
Manokotak, City of  
Marshall, City of  
Matanuska Susitna Borough  
McGrath, City of  
Mekoryuk/Nima, City of  
Mekoryuk, City of  
Nenana, City of  
New Stuyahok, City of  
Nightmute, City of

Nome, City of  
North Pole, City of  
Northwest Arctic Borough  
Northwest Arctic School District  
Nulato, City of  
Old Harbor, City of  
Palmer, City of  
Pribilof School District  
Pelican, City of  
Pelican City School District  
Petersburg Borough  
Pilot Station, City of  
Quinhagak, City of  
Sand Point, City of  
Selawik, City of  
Seldovia, City of  
Seward, City of  
Sitka, City and Borough of  
Soldotna, City of  
Southwest Alaska Municipal  
Conference  
Saint Paul, City of  
Tenakee Springs, City of  
Toksook Bay, City of  
Unalakleet, City of  
Unalaska, City of  
Upper Kalskag, City of  
Valdez, City of  
Whittier, City of  
Wasilla, City of  
Yakutat, City of

# Oversight by Your Peers

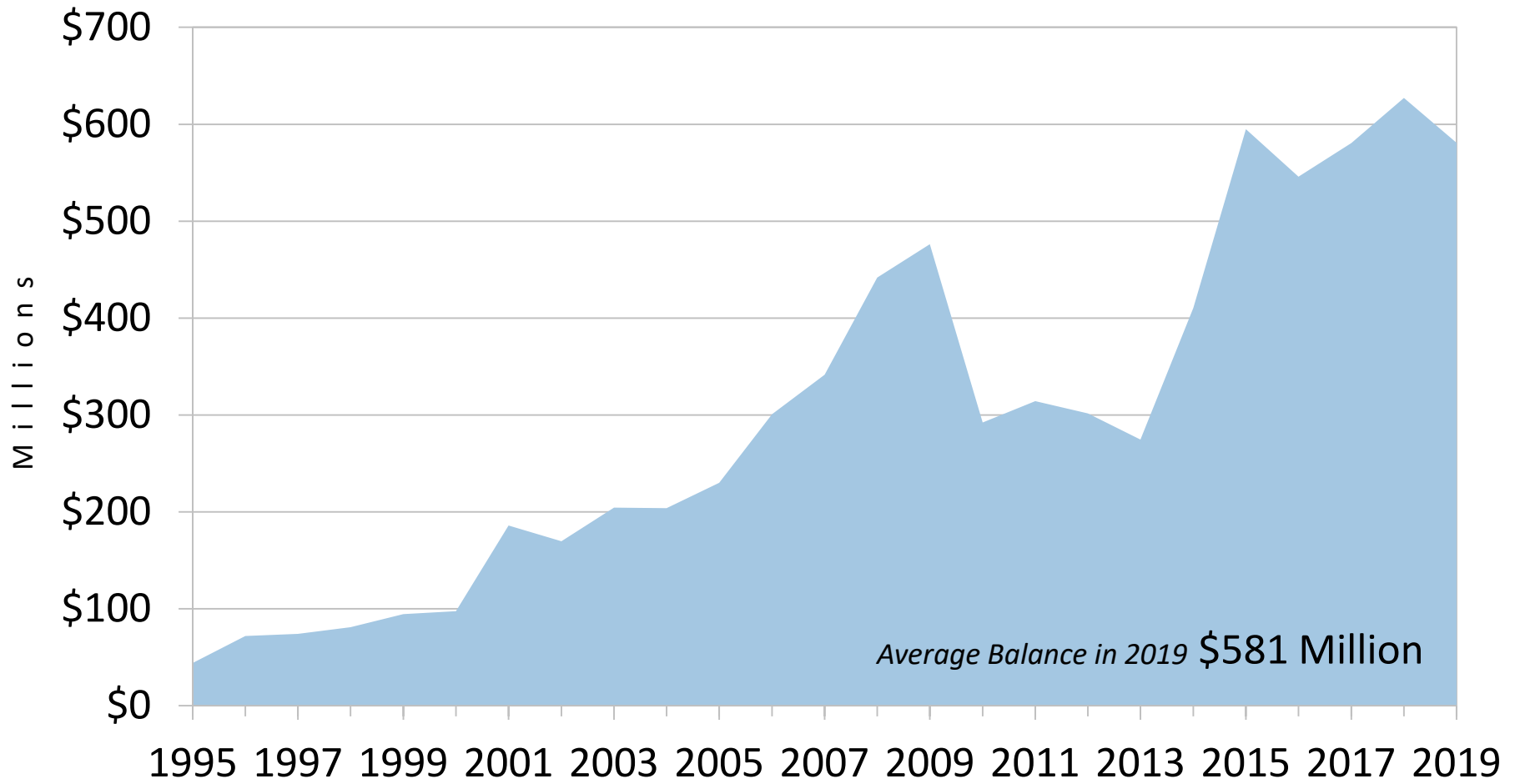
Item e.

- **Margaret “Peggy” Macdonald, President**  
*Treasury Budget Manager, Fairbanks North Star Borough*
- **John P. “Jay” Sweeney III, Vice President**  
*Finance Director, City & Borough of Sitka*
- **Terry Eubank, Treasurer**  
*Finance Director, City of Kenai*
- **Cheyenne Heindel**  
*Finance Director, Matanuska-Susitna Borough*
- **Kris Erchinger**  
*Finance Director, City of Seward*
- **Layton Lockett**  
*City Manager, City of Adak*
- **Nils Andreassen**  
*Executive Director, AML*

# Growth in Pool Deposits

*Average Annual Market Value Since Inception*

Item e.

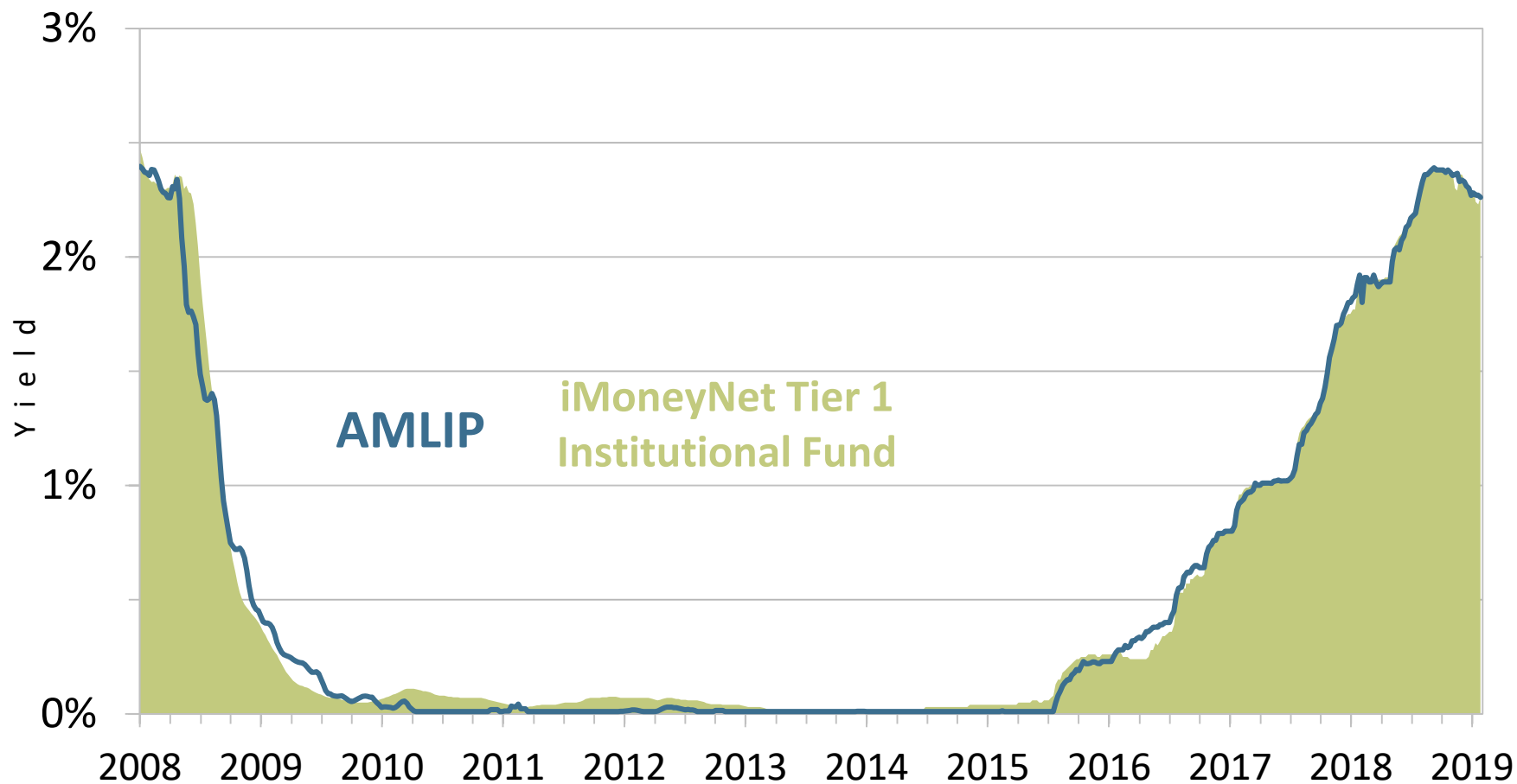


*Average Balance in 2019 \$581 Million*

# Institutional Money Market Rates

*AMLIP vs. Peers: May 31, 2008 to June 30, 2019*

Item e.



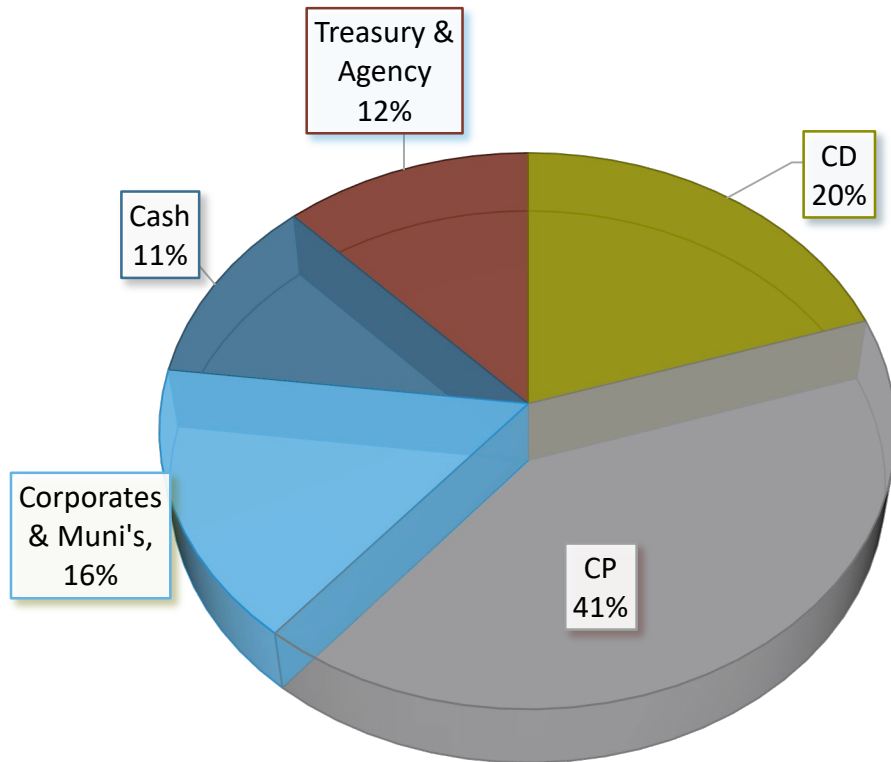
100

Graph shows the 4 week moving average of the 7 day effective yield. Data through June 2019.

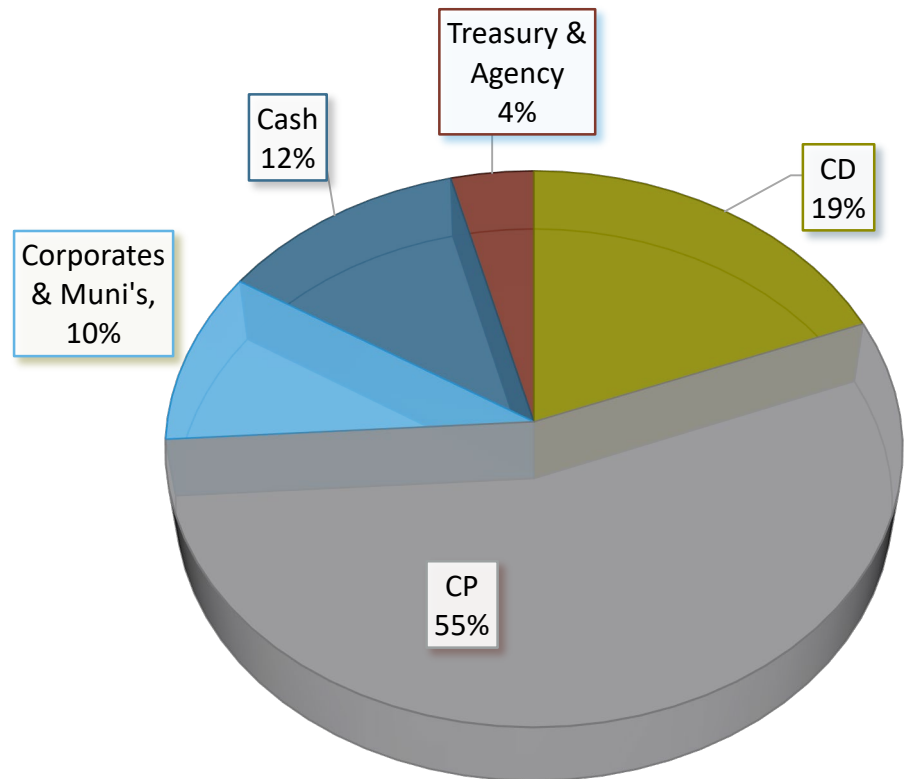
# AMLIP Sector Allocation

Item e.

June 2018

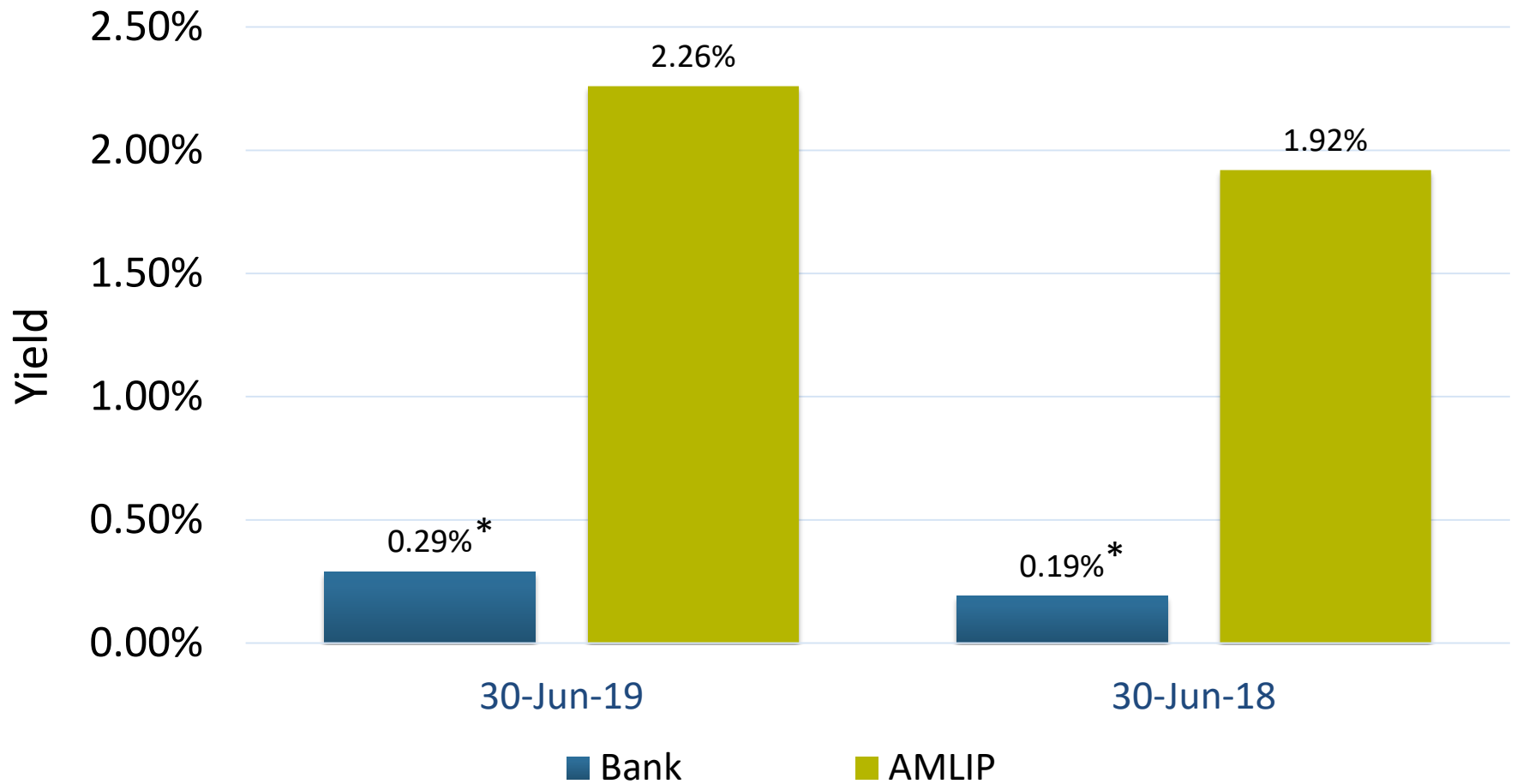


June 2019



# Why Now?

Item e.



# AMLIP Benefits

Item e.

- Safety – maintain principle
- Liquidity – same day access
- Yield – competitive rate of return
- Multiple Accounts per Entity

# How to Use AMLIP

Item e.



**ALASKA MUNICIPAL LEAGUE**  
**INVESTMENT POOL, INC.**

*Investing in  
Your Community*

A Secure Short-term Investment  
Vehicle for Alaska Public Entities

*Safeguarding public  
investments for over  
20 years*

- Reserves Accounts
- Building projects
- Bond proceeds
- Tax deposits
- Operating cash

Same day access to funds  
No minimum deposit

ALL ALASKAN  
Member Governance

ALASKAN  
Audited and Advised

ALASKA  
MUNICIPAL LEAGUE  
Sponsored

## COMMON INVESTMENT AGREEMENT OF ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC.

### RECITATIONS

WHEREAS, AS 37.23.010-37.23.900 of the Alaska Statutes ("Alaska Investment Pool Act") provides that a public entity may enter into an agreement with other public entities to form and manage an investment pool under which funds of the participating public entities are administered and invested jointly;

WHEREAS, the Alaska Investment Pool Act provides that a public entity, by itself or with other public entities, may form a nonprofit corporation for the purposes of managing an investment pool;

WHEREAS, the Alaska Investment Pool Act provides that a public entity participating in an Investment pool or a nonprofit corporation formed for the purposes as set forth in that act may spend money reasonably necessary for the management of the pool, including the employment of staff, and that income from the investments of the pool may be used for management costs;

WHEREAS, the Alaska Investment Pool Act defines public entity to mean a political subdivision of the State of Alaska, including a municipality and its subdivisions, a school district, a regional educational attendance area or an organization composed of political subdivisions of the state;

WHEREAS, the Alaska Municipal League Investment Pool, Inc. has been formed as a nonprofit corporation under the Alaska Nonprofit Corporations Act (AS 10.20) with membership limited to political subdivisions of the State of Alaska, including a municipality and its subdivisions, a school district and a regional attendance area but not an organization composed of political subdivisions ("Public Entities");

WHEREAS, each of the initial participants ("Initial Participants") as identified at the end of this Agreement and included in the list of Participants given in Exhibit A to this Agreement is a Public Entity, and each person that subsequently becomes a signatory to this Agreement will be a Public Entity and desire to enter into this Agreement for the combined investment of public funds;

WHEREAS this Agreement is intended to be a joint agreement entered into pursuant to the Alaska Investment Pool Act for the purposes of better performing the Initial Participants' responsibilities and the responsibilities of Public Entities who subsequently become signatories to this Agreement to invest their public funds, as set forth in Section 2.1 of this Agreement;

WHEREAS, the governing body of each of the Initial Participants has duly adopted an ordinance (in the case of a municipality) or a resolution or other procedure (in the case of any other Public Entity) authorizing the respective Initial Participant to become a party to this Agreement, and each Public Entity which subsequently becomes a signatory to this Agreement will do so after its governing body has adopted an ordinance (in the case of a municipality) or a resolution or other procedure (in the case of any other Public Entity) authorizing the respective Public Entity to become a party to this Agreement;

WHEREAS, the governing body of each of the Initial Participants has adopted and each Public Entity which subsequently becomes a signatory to this Agreement will adopt the investment objectives and purposes as set forth in Article II of this Agreement and the Investment Policy as set forth in Exhibit B to this Agreement;

WHEREAS, the Initial Participants anticipate that other Public Entities may desire to invest public assets jointly with the Initial Participants or other Public Entities which become signatories to this Agreement: and

WHEREAS, the Alaska Municipal League has assisted in the incorporation of the Corporation to implement the provisions of the Alaska Investment Pool Act for the Initial Participants and other Public Entities which become signatories to this Agreement;

NOW, THEREFORE, the Initial Participants do hereby covenant and agree as follows: to have the Corporation manage and invest all monies, assets, securities, funds and property now or hereafter transferred to or held by it pursuant to this Agreement, all for the benefit of such Public Entities as may from time to time become Participants, and the Initial Participants do further declare their agreement to be bound and abide by the terms of this Agreement.

## ARTICLE I - NAME AND DEFINITIONS

Section 1.1 Name of Pool. The monies, assets, securities, funds and property now or hereafter transferred to and held by the Corporation pursuant to this Agreement will be known as the Alaska Municipal League Investment Pool.

Section 1.2 Definitions. Wherever used within this Agreement, unless otherwise required by the context or specifically provided:

- (1) "Agreement" or "Alaska Municipal League Investment Pool, Inc. Common Investment Agreement" means this instrument executed by the Corporation and the Initial Participants and establishing the Pool, and will encompass any amendments to this Agreement which are duly approved pursuant to this Agreement, and will also encompass the written instruments by which Public Entities become parties to, or terminate their participation under, this Agreement;
- (2) "Alaska Investment Pool Act" means the Alaska Statute AS 37.23.010-37.23.900, as amended from time to time;
- (3) "Articles of Incorporation" means the Articles of Incorporation of the Corporation, as amended from time to time;
- (4) "Bylaws" means the Bylaws of the Corporation, as amended from time to time;
- (5) "Corporation" means the Alaska Municipal League Investment Pool, Inc.;
- (6) "Custodian" means the party identified in Section 5.7 of this Agreement with qualifications and duties as set forth in Article X of this Agreement;
- (7) "Directors" means the individual directors of the Board of Directors of the Corporation and their successor or successors for the time period during which they were in that office; and "Board of Directors" means the board of directors of the Corporation;
- (8) "Investment Adviser and "Investment Manager mean the parties with whom the Corporation has contracted on behalf of the Pool pursuant to Article VIII; and "Supervisory and Investment Adviser Agreement and Investment Management Agreement" refer to the agreements between the Corporation and the Investment Adviser and between the Corporation and the Investment Manager, respectively;
- (9) "Investment Officer" means an officer or employee of the Corporation or other person who will be designated in accordance with the provisions of Article XI of this Agreement;
- (10) "Investment Policy means the Investment Policy for the Alaska Municipal League Investment Pool attached to and incorporated into this Agreement as Exhibit B;

- (11) "Net Asset Value" means the net asset value of the Pool in the manner provided in Section 12.3 of this Agreement;
- (12) "Participant" means a party which has entered into this Agreement through due and proper authorization and which has not terminated such status and as listed in Exhibit A attached to and incorporated into this Agreement; and "Participation" refers to the status of an entity as a Participant;
- (13) "Pool" means the Alaska Municipal League Investment Pool;
- (14) "Public Entity" means a political subdivision of the State of Alaska, including a municipality and its subdivisions, a school district or a regional education attendance area;
- (15) "Series" means any subdivision of the assets of the Pool established in accordance with the provisions of Section 4.2 of this Agreement; and "Series Supplement" refers to the written document containing the terms of a certain Series: and
- (16) "Units" means the equal proportionate units of undivided beneficial interest in the assets of the Pool or of each Series from time to time, including fractions of Units as well as whole Units (which the Participants intend to maintain at a stable \$1.00 Net Asset Value, in accordance with Section 2.2(a)(4) of this Agreement); and "Unitholder" refers to a record owner of Units of the Pool or of a Series.

## ARTICLE II - PURPOSE, OBJECTIVES

Section 2.1 Purpose. The purpose of this Agreement is to establish the terms for the joint investment of public funds by Public Entities pursuant to the terms of the Alaska Investment Pool Act, the Articles of Incorporation and the Bylaws. The purpose of the Pool is to provide a means for eligible Public Entities to invest temporarily available public funds.

Section 2.2 Objectives. (a) The general objectives of the Pool include:

- (1) Improving the efficiency and effectiveness of Participants in the investment of their public funds;
- (2) Minimizing administrative fees and transactional and other expenses of investing public funds;
- (3) Providing Public Entities with a continuous source of managed investments, within the limitations upon such investments prescribed by applicable law; and
- (4) Managing the assets of the Pool with the intent of maintaining a stable \$1.00 Net Asset Value for each whole Unit.

(b) The investment objectives of the Pool in order of priority are as follows:

- (1) Preservation of capital - seeking to preserve the capital investment of all Participants through prudent management and adoption of investment policies and restrictions;
- (2) Liquidity - seeking to meet the needs of Participants for cash by maintaining a high level of portfolio liquidity and investing in readily marketable securities; and
- (3) Return - seeking to attain the highest level of current income consistent with the objectives of preservation of capital and liquidity.

### ARTICLE III - PARTIES TO AGREEMENT

Section 3.1 Eligibility. A Participant must be a member of the Corporation; provided that (1) no person will be allowed to become a member of the Corporation or a Participant if the Board of Directors, upon advice of legal counsel, determines that such membership or Participation would cause the income of the Pool to be subject to federal income taxation, and (2) the Board of Directors will have sole discretion to designate categories of Public Entities eligible to become Participants. In making a determination under this section, the Board of Directors, after obtaining the advice of legal counsel, will have final authority to determine the question.

Section 3.2 Entry Into Agreement. (a) A Public Entity determined to be eligible as a Participant under Section 3.1 of this Agreement may enter into this Agreement, without further action by the existing Participants, by executing and delivering to the Corporation an agreement to be bound by its terms pursuant to duly exercised authority. Such agreement need not be physically affixed to a copy of this Agreement, but instead may be indicated by reference to this Agreement. In accordance with the Bylaws, the Board of Directors will establish the form of such agreement and such additional procedures and requirements for entering into this Agreement as it from time to time deems appropriate.

(b) In executing an agreement under (a) of this Section 3.2, a Public Entity will be deemed to expressly (1) designate the Investment Officers of the one or more Series into which the Public Entity places any of its public funds as that Public Entity's Investment Officer responsible for such funds; (2) designate the depository and custodian of the one or more Series into which the Public Entity places any of its public funds as that Public Entity's depository and custodian for such funds; (3) delegate to the Corporation the authority to hold legal title to the assets placed in the Pool; (4) approve the investment objectives, policies, rules and procedures for the Pool and the Corporation or of any Series of the Pool, as the investment objectives, policies, rules and procedures of the Public Entity with respect to its assets transferred for placement in the Pool or any Series of the Pool; and (5) provide authority to the Corporation, the Board of Directors, the Investment Manager, the Corporation's officers, employees and any of their agents to deposit, withdraw, invest, transfer and otherwise manage the funds which the Public Entity may place in the Pool; all in conformance with the terms of this Agreement and the investment objectives, policies, rules and procedures of the applicable Series and the requirements of the Alaska Investment Pool Act.

Section 3.3 Termination of Participation. Participants will have the right to terminate their Participation in this Agreement, and the Board of Directors will specify procedures for such termination. Such procedures will require a Participant to redeem its Units in the Pool prior to such termination. The termination of Participation by a Participant will not affect the validity of this Agreement with respect to the remaining Participants.

Section 3.4 Effect of Amendment of Alaska Investment Pool Act. In the event that the Alaska Investment Pool Act is amended so as to expand the definition of "Public Entity" as used in this Agreement, the Board of Directors will have the power to determine whether and under what circumstances any new category of Public Entity may become a party to this Agreement. In the event that the Alaska Investment Pool Act is amended so as to exclude from the definition of Public Entity" as contained in this Agreement any previously included entity, the Board of Directors will promptly determine whether any existing Participant has lost its status as a Public Entity (or will lose such status upon effectiveness of such amendment). If the Board of Directors determines, after obtaining the advice of counsel, that an existing Participant is no longer a Public Entity (or will not be a Public Entity upon the effectiveness of the amendment), the Board of Directors will so notify that Participant, redeem any Units of that Participant held in the Pool and transfer to the Participant the resulting funds and other Investment funds of that Participant administered through the Corporation and terminate the Participation of that Participant. The Board of Directors will have final authority with respect to determinations under this Section 3.4.

Section 3.5 Effect of Amendment of Federal Tax Law. Should the federal income tax law be amended so as to cause the income of the Pool to be subject to federal income taxation, the Board of Directors will promptly determine whether that subjugation could be eliminated through the termination of Participation by one or more Participants and may, upon advice of legal counsel, terminate the membership in the Corporation and the Participation of those Participants in the Pool to eliminate the subjugation of the Pool to federal income taxation. Should the Board of Directors determine to terminate the Participation of a Participant under this Section 3.5, it will so notify that Participant, redeem any Units of that Participant held in the Pool and transfer to the Participant the resulting funds and other investment funds of that Participant administered through the Corporation and terminate the Participation of that Participant. The Board of Directors will have final authority with respect to determinations under this Section 3.5.

#### ARTICLE IV- BENEFICIAL INTERESTS

Section 4.1 Units of Beneficial Interest. The undivided beneficial interests of Participants in the assets of the Pool or of any Series of the Pool will be represented by such Units of one or more separate and distinct Series as the Board of Directors will from time to time create and establish. The number of Units is unlimited, and each Unit will be without par value and will be fully paid and nonassessable. The Board of Directors will have full power and authority, in their sole discretion and without obtaining any prior authorization of or vote of the Unitholders or of any Series, (1) to create and establish Units or any Series with such preferences, voting powers, rights and privileges as the Board of Directors may from time to time determine, (2) to divide or combine the Units thereof into a greater or lesser number, (3) to classify or reclassify any existing Units into one or more Series or classes of Units and (4) to take such other action with respect to the Units as the Board of Directors may deem desirable; provided that the Board of Directors may take no action pursuant to this Section 4.1 which would impair the beneficial interests of Unitholders in the then-existing assets of the Pool; and provided further, that such powers as the Board of Directors may ordinarily exercise pursuant to this Section 4.1 will not be inconsistent with the intent of maintaining a stable Net Asset Value of \$1.00 per Unit.

Section 4.2 Establishment of Series. (a) The first Series is hereby established pursuant to Article V of this Agreement.

(b) The establishment of any future Series will be effective upon the adoption of a resolution by a majority of the Board of Directors. With respect to each such future Series the Board of Directors will designate investment objectives and policies as required by this Agreement, authorized investments (and if repurchase agreements are authorized, the custodian for pledged securities), categories of Public Entities eligible to own Units, authorized Investment Officers and the relative rights and preferences of the holders of such Units; all of which will be described in a written Series Supplement.

(c) At any time that there are no Units outstanding of any particular Series previously established and designated, the Board of Directors may, by majority vote, abolish that Series and the establishment and designation of it.

Section 4.3 Ownership of Units. Notwithstanding other provisions of this Agreement to the contrary, ownership of Units will be limited to Participants. Ownership of Units will be recorded in the books of the Pool. The Board of Directors may have such rules as it considers appropriate, to the extent permitted by law, for the transfer of Units and similar matters. The record books of the Pool will be conclusive as to who are the holders of Units and as to the number of Units held from time to time by each Unitholder, unless the Unitholder shows otherwise to the satisfaction of the Board of Directors.

Section 4.4 Placement of Assets in the Pool. The Board of Directors will accept transfers of funds to a Series from such governmental entities as have become Participants on such terms as the Board of Directors may from time to time authorize. After the date of the initial transfer of funds to a Series, the number of Units of that Series to represent the initial transfer of funds may be considered as outstanding, and the amount received by the Series on account of such transfer will be treated as an asset of such Series. Subsequent transfers of funds to the Series will be credited to each Unitholder's

account in the form of full Units at the Net Asset Value per Unit next determined after the funds are received; provided, however, that the Board of Directors may, in its sole discretion, authorize the issuance of fractional Units.

Section 4.5 Assets and Liabilities of Series. (a) All consideration received by the Pool with respect to Units of a particular Series, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form, will be referred to as assets belonging to that Series. In addition, any assets, income, earnings, profits, and proceeds thereof, funds or payments which are not readily identifiable as belonging to any particular Series will be allocated by the Board of Directors between and among one or more of the Series in such manner as the board, in its sole discretion, deems fair and equitable. Each such allocation will be referred to as assets belonging to that Series, and will be conclusive and binding for all purposes. The assets belonging to a particular Series will be so recorded upon the books of the Pool and will be held in the Pool by the Corporation for the benefit of the Unitholders of that Series.

(b) The assets belonging to each particular Series will be charged with all expenses, costs, charges and reserves attributable to that Series. Any expenses, costs, charges or reserves of the Pool, which are not readily identifiable as belonging to any particular series, will be allocated and charged by the Board of Directors between or among any one or more of the Series in such manner as the Board of Directors, in its sole discretion, deems fair and equitable, and such expenses, costs, charges, and reserves will be payable only from the assets belonging to the applicable Series. Each such allocation will be conclusive and binding for all purposes. Any creditor of any Series may look only to the assets of that Series to satisfy such creditor's debt.

(c) To the extent that the expenses, costs, charges and reserves of the Pool or one or more Series of the Pool, including ordinary or extraordinary legal, accounting or other professional service expenses, are allocated pursuant to this Section 4.5 to the Units of a Participant, that Participant authorizes the payment of such out of principal and earnings from that Participant's investment in the Pool.

Section 4.6 No Preemptive Rights. Unitholders will have no preemptive or other preferential rights to acquire any additional Units of the Pool.

Section 4.7 Limitation of Personal Liability. The Board of Directors will have no power to bind any Unitholder or to call upon any Unitholder for the payment of any sum of money or assessment whatsoever other than such as the Unitholder may at any time agree to pay by way of subscription for any Units or otherwise. Every contract or other undertaking by or on behalf of the Pool will include a recitation limiting the obligation represented thereby to the Pool or a Series of it and its assets, however, the omission of such a recitation will not operate to bind any Participant.

## ARTICLE V. FIRST SERIES, SUBSEQUENT SERIES

Section 5.1 Establishment of Series. (a) The Initial Participants hereby agree that the first Series will be established in conformance with the terms of this Agreement and the policies, objectives, restrictions and other terms of this Article V.

(b) Participants in a subsequent Series will agree, in entering into the Agreement for that Series, that subsequent Series will be established in conformance with the terms of the Agreement at that time and the policies, objectives, restrictions and other terms of this Article V and as not otherwise prohibited by law.

Section 5.2 Eligible Public Entities. Only Public Entities situated in the State of Alaska may become Participants in the first Series or in a subsequent Series.

Section 5.3 Eligible Investments. The Pool may invest only in the instruments as set forth in the Investment Policy for purposes of the first Series. The eligible investments for a subsequent Series will be as provided in the investment policy for that Series and as included in the terms of the

Agreement at that time.

Section 5.4 Investment Policies and Restrictions. The investment policies and restrictions to be followed by the Pool are as set forth in the Investment Policy for purposes of the first Series. The Investment policies and restrictions to be followed by the Pool for a subsequent Series will be as provided in the investment policy for that Series and as included in the terms of the Agreement at that time.

Section 5.5 Investment Officer. The Investment Officer for the Pool will be designated by the Board of Directors, subject to the provisions of Article XI of this Agreement.

Section 5.6 Distributions. Earnings on the assets of a Series will be accrued daily and will be distributed as determined by the Board of Directors but not less frequently than the first business day of the month following the month in which such earnings are accrued. Such earnings may be distributed in the form of cash sent to a Participant, or credited to the Participant's account in the form of full or fractional Units.

Section 5.7 Custodian. The Custodian will be designated by the Board of Directors, having duties and otherwise subject to the provisions of Article X of this Agreement.

## ARTICLE VI – DIRECTORS

Section 6.1 Management of the Pool. The business and affairs of the Pool will be directed by the Board of Directors.

Section 6.2 Effect of Death, Resignation, Etc. of a Director. The death, declination, resignation, retirement, removal, incapacity or inability of the Board of Directors, or any one of its members, will not operate to annul or terminate the Pool or to revoke any existing agency created pursuant to the terms of this Agreement.

## ARTICLE VII - POWERS OF BOARD OF DIRECTORS

Section 7.1 Powers. The Board of Directors will have full power and authority to do any and all acts and to make and execute or authorize the making or executing of any and all contracts and Instruments that are necessary for or incidental to the business and affairs of the Corporation and the Pool and the direction of management of the Pool or the investment of assets of the Pool. Subject to applicable law and this Agreement, the Board of Directors will have full authority and power to make, or cause to be made, any and all Investments which it, in its sole discretion, will deem proper to accomplish the objectives of the Pool. Subject to any limitation of this Agreement or applicable law, the Board of Directors will have power and authority to do the following:

- (1) To invest and reinvest cash and securities, and to hold cash or other properly uninvested, in accordance with the Investment Policy and the terms of this Agreement;
- (2) To adopt Bylaws not inconsistent with this Agreement providing for the conduct of the business of the Corporation and the Pool and to amend and repeal them to the extent that the Articles of Incorporation do not reserve that right to the members of the Corporation;
- (3) To appoint and remove one or more Investment Officers pursuant to Article XI of this Agreement; to appoint and remove such additional officers as the Board of Directors considers appropriate and in accordance with the Bylaws; and to appoint and terminate such agents as the Board of Directors considers appropriate;
- (4) To employ a bank or other person, as allowed under the Alaska Investment Pool Act and otherwise in accordance with applicable law, as Custodian of any assets of the

Pool, subject to conditions set forth in this Agreement or in the Bylaws, if any:

- (5) To retain a Supervisory Investment Adviser and an Investment Manager with such powers, responsibilities and functions as are described in Article VIII of this Agreement;
- (6) To set record dates in the manner as provided in this Agreement;
- (7) To delegate, consistent with applicable law, such authority as the Board of Directors considers desirable to any officers of the Corporation and to the Supervisory Investment Adviser, Investment Manager, the Custodian or other agents;
- (8) To sell or exchange or cause to be sold or exchanged any and all assets of the Pool, subject to the provisions of Section 14.4 of this Agreement;
- (9) To vote or to give assent or to exercise any rights of ownership, with respect to securities or property and to execute and deliver powers of attorney to such person or persons as the Board of Directors will deem proper, granting to such person or persons such power and discretion with relation to securities or property as, subject to applicable law, the Board of Directors will deem proper;
- (10) To exercise powers and rights which in any manner arise out of ownership of securities;
- (11) To hold any security or property in a form not indicating any trust, whether in bearer, unregistered or other negotiable form, either in the Pool's name or in the name of a custodian or nominee or nominees, subject in either case to proper safeguards to protect the Participants;
- (12) To establish separate and distinct Genes with separately defined investment objectives and policies and distinct investment purposes in accordance with the provisions of Article IV of this Agreement;
- (13) To allocate assets and expenses of the Pool to a particular Series or to apportion the same between or among two or more Series, provided that any expenses incurred by a particular Series will be payable solely out of the assets belonging to that Series as provided for in Article IV of this Agreement;
- (14) To consent to or participate in any plan for the reorganization, consolidation or merger of any corporation or concern, any security of which is held in the Pool; and to consent to any contract, lease, mortgage, purchase or sale of property by such corporation or concern;
- (15) To compromise, arbitrate or otherwise adjust claims in favor of or against the Pool or any matter in controversy including, but not limited to, claims for taxes;
- (16) To make distributions of income and of capital gains to Unitholders in the manner as provided in this Agreement;
- (17) To establish from time to time a minimum total investment for Unitholders and to require the redemption of the Units of any Unitholders whose investment is less than such minimum upon giving notice to such Unitholder;
- (18) To amend this Agreement pursuant to Section 14.7 of this Agreement;
- (19) To retain one or more auditors for the Pool or any Series, and to require annual audits and reports as the Board of Directors considers appropriate; and
- (20) To do other things not inconsistent with the provisions of this Section 7.1 which the

Board of Directors deems necessary in carrying out its duties.

Section 7.2 Action by the Board of Directors. The Board of Directors will act and otherwise conduct the business of the Pool in accordance with the terms of this Agreement and as otherwise set forth in the Articles of Incorporation and Bylaws.

Section 7.3 Officers. The Board of Directors will appoint one or more of its number to be officers of the Corporation in accordance with the terms of the Articles of Incorporation and Bylaws.

#### **ARTICLE VIII - SUPERVISORY AND INVESTMENT ADVISER; INVESTMENT MANAGER**

Section 8.1 Supervisory and investment Adviser Agreement and Investment Management Agreement. When authorized by at least a majority of the Board of Directors, the Corporation on behalf of the Pool may, subject to the laws of the State of Alaska, from time to time enter into one or more Supervisory and Investment Adviser Agreements and Investment Management Agreements whereby the other party to such agreements will be designated as the Supervisory Investment Adviser and the Investment Manager, respectively, to the Corporation on behalf of the Pool, will agree to serve as such and will undertake to provide to the Corporation on behalf of the Pool such advice, assistance, facilities and services upon such terms and conditions as the Board of Directors may, in its discretion, determine.

Section 8.2 Duties. (a) The Supervisory and Investment Adviser Agreement and the Investment Management Agreement will be set forth in writing and will establish the duties and responsibilities of the Supervisory Investment Adviser and the Investment Manager. The Board of Directors will have power to retain the Supervisory Investment Adviser and the Investment Manager to provide such advice, assistance, facilities and services as the Board of Directors will, consistent with the applicable law and this Agreement, in its discretion, determine, including, without limitation, those set forth in this Section 8.2, provided that such advice, assistance, facilities and services will be provided in accordance with this Agreement and the Investment Policy or such amendments to them as are approved by the Board of Directors;

(b) The duties and responsibilities of the Supervisory Investment Adviser will include the following:

- (1) To provide technical direction to the Pool;
- (2) To review custodial and investment operations of the Pool, to include performance against established benchmarks;
- (3) To ensure that the Investment Policy established by the Board of Directors and required by the Alaska Investment Pool Act is adhered to;
- (4) To ensure that necessary reports are rendered both to the Board of Directors and to each Participant; and
- (5) To ensure that participants in the Pool receive necessary Pool-related information;

(c) The duties and responsibilities of the Investment Manager will include the following:

- (1) To act as the Pool's fiduciary and be responsible for investment and record keeping services;
- (2) To adhere to the Investment Policy and the Alaska Investment Pool Act;
- (3) To advise the Pool on the strategies being employed, to include risk and yield factors; and
- (4) To render periodic reports to both the Pool and Participants with regard to units held and account transactions.

Section 8.3 Provision of Services. The Supervisory Investment Adviser and the Investment Manager will provide such advice, assistance, facilities and services as the Board of Directors may determine, in accordance with Section 8.2 of this Agreement. However, the Supervisory Investment Adviser and the Investment Manager will have the power, subject to applicable law and with the consent of the Board of Directors, to retain third parties, whether or not affiliated with the Supervisory Investment Adviser and the Investment Manager, to provide all or some of the advice, assistance, facilities and services for which it has been retained by the Pool.

Section 8.4 Duty of Care. Management and investment of assets of the Pool by the Supervisory Investment Adviser and the Investment Manager will be done with the care, skill, prudence and diligence under the circumstances then prevailing that an institutional investor would use in the conduct of an enterprise of a like character and with like aims.

## ARTICLE IX – UNITHOLDERS’ VOTING POWERS AND MEETINGS

Section 9.1 Voting Powers. A Unitholder, as a member of the Corporation on the record date for a meeting of members, will have power to vote on matters coming before the members including matters pertaining to the Pool as set forth in the Articles of Incorporation and Bylaws and by applicable law.

Section 9.2 Meetings. A Unitholder, as a member of the Corporation, will be entitled to attend meetings of members pursuant to the provisions of the Articles of Incorporation and Bylaws.

## ARTICLE X- CUSTODIAN

Section 10.1 Qualifications, Appointments and Duties. (a) The Custodian will be designated by the Board of Directors and will, if such entity accepts such designation on the terms approved by the Board of Directors or any duly authorized officers of the Corporation, be a commercial bank with a subsidiary trust company or a trust company that is authorized to exercise corporate trust powers, have a combined capital and surplus of at least \$50 million or an equivalent level of indemnification and be subject to supervision by federal banking regulators.

(b) The Corporation on behalf of the Pool, at all times, will employ a Custodian with authority as agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained under the laws of the State of Alaska, this Agreement or the Bylaws:

- (1) To hold the securities owned by the Corporation on behalf of the Pool in the name of the Pool or otherwise as authorized by the Board of Directors and to deliver the same upon written order or other means approved by the Board of Directors with written confirmation;
- (2) To hold collateral securing certificates of deposit, repurchase agreements and other instruments as allowed under the Investment Policy or required by the Board of Directors;
- (3) To receive and receipt for any monies due to the Corporation on behalf of the Pool and deposit the same in its own banking department or otherwise as the Board of Directors may direct;
- (4) To disburse such funds upon orders or vouchers, all upon such basis of compensation as may be authorized by the Board of Directors; and
- (5) To deliver and pay over all property of the Corporation as directed by the Board of Directors.

(c) The Board of Directors may also authorize the Custodian to employ one or more sub-

custodians or agents from time to time to perform acts and services on behalf of the Custodian; provided that such sub-custodians or agents must each have a combined capital and surplus or level of indemnification of at least that specified for the Custodian in (a) of this Section 10.1 and must be subject to supervision by federal banking regulators.

Section 10.2 Central Certificate System. Subject to the laws of the State of Alaska, the Board of Directors may direct the Custodian to deposit all or any part of the securities owned by the Pool in a system for the central handling of securities pursuant to which system all securities of any particular class or series of any issuer deposited within the system are treated as tangible and may be transferred or pledged by bookkeeping entry without physical delivery of such securities.

## ARTICLE XI - INVESTMENT OFFICER

Section 11.1 Appointment. The Board of Directors will designate for each Series one or more Investment Officers who will be responsible for the investment of assets transferred to that Series. By authorizing Participation in any Series, each Public Entity will thereby designate the Investment Officers for that Series as such Public Entity's Investment Officers responsible for the assets transferred to such Series, pursuant to the Alaska investment Pool Act. The Investment Manager may be designated as the investment Officer by the Board of Directors.

Section 11.2 Scope of Authority. The investment Officer of each Series will be authorized to run the day-to-day investment operations of that Series in conformance with this Agreement and such purposes, objectives and requirements as the Board of Directors may set forth in the Series Supplement for that Series. Within the limits of such Series Supplement, the Investment Officer of each Series will be authorized, to the fullest extent allowable by law, to buy, sell, swap, invest, reinvest and otherwise manage the assets of that Series.

Section 11.3 Management Reports. At least once each month, each Investment Officer will prepare a written report concerning the investment transactions of the applicable Series for which such Investment Officer is responsible for the preceding year, and describing in detail the Investment position of such Series as of the date of the report. If the Board of Directors has appointed two or more Investment Officers for a Series, those officers will prepare that report jointly. The report will be signed by each Investment Officer and will be delivered to the Board of Directors.

## ARTICLE XII - DISTRIBUTIONS AND REDEMPTIONS

Section 12.1 Distributions. (a) The Board of Directors will have power, to the fullest extent permitted by the laws of the State of Alaska, at any time to declare and cause to be paid distributions on Units of a particular Series, from the assets belonging to that Series, which distributions, at the election of the Board of Directors, may be made monthly or otherwise pursuant to a standing resolution or resolutions adopted with such frequency as the Board of Directors may determine, and may be payable in cash or Units of that Series at the election of each Unitholder of that Series. The amount of such distributions and the payment of them will be wholly in the discretion of the Board of Directors.

(b) Notwithstanding anything in this Agreement to the contrary, the Board of Directors may at any time declare and distribute pro rata among the Unitholders of a particular Series as of the record date of that Series fixed as provided in Section 14.3 of this Agreement a distribution in the form of Units.

Section 12.2 Redemptions. (a) In case any holder of record of Units of a particular Series desires to redeem some or all of its Units, it may deposit at the office of the Custodian or other authorized agent of the Pool a written request, or such other form of request as the Board of Directors may from time to time authorize, requesting that the Series redeem the Units in accordance with this Section 12.2. The Unitholder so requesting will be entitled to require the Series to redeem such Units, and the Series will redeem such Units, at the Net Asset Value thereof next calculated, as described in Section 12.3 of this Agreement. The Series will make payment for any such Units to be redeemed in cash from the assets of that Series.

(b) The Board of Directors will specify procedures pursuant to which the Unitholder may, under normal circumstances, redeem its Units and receive payment on them by wire and in the form of immediately available funds within the same business day. In any event, except for the provisions of (c) of this Section 12.2, payment for such Units will be made by the Pool from that Series to the Unitholder of record no later than seven days after the date upon which the request is effective.

(C) Notwithstanding anything to the contrary, the provisions of this Section 12.2 and any procedures for the redemption of Units and the payment on them will be subject to Section 12.4 of this Agreement.

Section 12.3. Determination of Net Asset Value and Valuation of Portfolio Assets. (a) The net income of the Pool and Net Asset Value per Unit will be determined as of the close of trading on each day the Federal Reserve Bank of San Francisco is open for business (and at such other times as the Board of Directors may determine). The net income of the Pool (from the time of the immediately preceding determination thereof) will consist of (1) all interest income accrued on the portfolio assets of the Pool, less (2) all accrued expenses of the Pool. Such net income will be determined on the accrual basis in accordance with generally accepted accounting practices. Interest income will include amortization of purchase discount or premium. Securities in the Pool's portfolio will be valued as set forth in the Investment Policy.

(b) All the net income of the Pool, at the time of each determination thereof, will be allocated among and accrue to each Unitholder at the time of such determination in proportion to the number of Units then held by each Unitholder. If the net income of the Pool at the time of such determination is a negative amount, the Board of Directors will have power and authority (1) to allocate such negative amounts among the Unitholders in proportion to the number of Units held at the time of such determination and to offset the allocable share of each Unitholder of such negative amount against any income accrued to such Unitholder, and (2) to reduce the number of outstanding Units of the Pool by reducing the number of Units of each Unitholder by that number of Units which represents the amount of its allocable share of such negative amount which is not offset against income accrued to such Unitholder.

(c) The Net Asset Value per Unit at the time of each determination thereof will be determined by taking the value of all assets of the Pool (valued on the same basis as in the determination of the net income of the Pool at the time of such determination) less accrued expenses and arrearages and divided by the number of Units then outstanding.

(d) For purposes of this Section 12.3, the term Pool will refer to each Series of the Pool if more than one Series is outstanding. The net income and Net Asset Value of each Series and of Units of each Series will be calculated separately from that of all other Series.

Section 12.4. Suspension of the Right of Redemption. The Board of Directors may declare a suspension of the right of redemption or postpone the date of payment for the whole or any part of any period during which an emergency exists as a result of which disposal by the Corporation on behalf of the Pool of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Corporation on behalf of the Pool fairly to determine the value of its net assets. A suspension pursuant to this Section 12.4 will take effect at such time as the Board of Directors will specify but not later than the close of business on the business day next following the declaration of suspension. Thereafter there will be no right of redemption or payment until the Board of Directors will declare the suspension at an end. Any suspension pursuant to this Section 12.4 will continue only so long as the Board of Directors concludes such suspension is in the best interests of the Unitholders. In the case of a suspension of the right of redemption, a Unitholder may either withdraw a request for redemption or receive payment based on the Net Asset Value per Unit existing after termination of the suspension.

### ARTICLE XIII STANDARD OF CARE, LIMITATION OF LIABILITY, AND INDEMNIFICATION

Section 13.1. Standard of Care, Limitation of Liability. (a) The management and investment of Participants' assets by the Corporation, its officers, directors, employees and agents will be done with the care, skill, prudence and diligence under the circumstances then prevailing that an institutional

investor would use in the conduct of an enterprise of a like character and with like aims.

(b) The members of the Board of Directors, officers and employees of the Corporation will not be liable for any mistakes of judgment or other actions taken or omitted by them in good faith, nor will they be liable for any action taken or omitted by an agent, employee or independent contractor selected in good faith by them or any of them, nor will they be liable for loss incurred through Investment of funds through the Corporation or failure to Invest

(C) No director, officer or employee of the Corporation will be liable for any action taken or omitted by any other director, officer or employee.

Section 13.2. Board of Directors Good Faith Action. Expert Advice, No Bond or Surety. The exercise by the Board of Directors of its powers and discretion under this Agreement in good faith will be binding upon all interested parties. Subject to the provisions of Section 14.1 and to Article XIII of this Agreement, the Board of Directors will not be liable for errors of judgment or mistakes of fact or law. The Board of Directors may take advice of counsel or other experts with respect to the meaning and operation of this Agreement and, subject to the provisions of Section 14.1 of this Agreement and this Article XIII, will be under no liability for any act or omission in accordance with such advice or for failing to follow such advice. Directors will not be required to give any bond or act as a surety under this Agreement.

Section 13.3. Indemnification. Insurance. (a) The Corporation will defend, indemnify and hold harmless each director, officer and employee of the Corporation for expenses, including attorney's fees, and the amount of any judgment, money decree, fine, penalty or settlement for which he or she may become liable by reason of his or her being or having been a director, officer or employee of the Corporation who exercises powers or performs duties for the Corporation, except in relation to matters as to which that director, officer or employee is finally adjudged in any action, suit or proceeding to be liable for failure to act in good faith in the performance of his or her duties as such director, officer or employee.

(b) At the discretion of the Board of Directors, the Corporation may purchase and maintain insurance on persons associated with the Corporation and as expressly provided in its Bylaws.

#### ARTICLE XIV – MISCELLANEOUS

Section 14.1. Corporation and Pool Not a Partnership. It is hereby expressly declared that the Corporation is a separate and distinct nonprofit corporation and not a partnership. No Director will have any power to bind personally either the Board of Directors or officers of the Corporation or any Participant. All persons providing services or property to, contracting with or having any claim against the Corporation on behalf of the Pool, its officers, Board of Directors, employees and agents will look only to the assets of the appropriate Series for payment thereof under this Agreement. Neither the Participants nor the Board of Directors nor any officers, employees or agents of the Corporation, whether past, present or future, will be personally liable therefor.

Section 14.2. Ownership of Assets of the Pool. The assets of the Pool will be held separate and apart from all other assets, including the assets of other Series of the Pool. Legal title to all of the assets of the Pool will at all times be considered as vested in the Corporation, as custodian for the appropriate benefit of the respective Unitholders. No Unitholder will be deemed to have a severable ownership in any individual asset of the Pool or any right of partition or possession of it, but each Unitholder will have a proportionate undivided beneficial interest in the assets of the Pool or of a Series of the Pool.

Section 14.3. Establishment of Record Dates. The Board of Directors may fix in advance a date, not exceeding fifty days and not less than ten days preceding the date of any meeting of members of the Corporation, or the date for payment of any distributions, or the date for the allotment of rights or the date when any change or conversion or exchange of Units will go into effect, as a record date for the determination of the persons entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such distributions, or to any such allotment or rights, or to exercise the rights in case such persons and only such persons as will be members of the Corporation of record on the

dates so fixed will be entitled to such notice of, and to vote at, such meeting, or to receive payment of such distributions, or to receive such allotment or rights or to exercise such rights, as the case may be, notwithstanding any transfer of any Units on the books of the Pool after any such record date is fixed.

Section 14.4. Termination of Pool. (a) The Pool will continue for a period of 40 years and then terminate, unless sooner terminated pursuant to this Section 14.4 or unless the Board of Directors by at least a simple majority vote extends the period for an additional period of time.

(b) The Board of Directors may at any time sell and convert, or cause to be sold and converted, into money all the assets of the Pool or of any Series. Upon making provision for the payment of all outstanding obligations and unpaid expenses, accrued or contingent, of the Pool or of the affected Series, the Board of Directors may distribute the remaining assets of the Pool or of the affected Series ratably among the holders of the outstanding Units of the Pool or of the affected Series.

(c) Upon completion of the distribution of the remaining proceeds or the remaining assets as provided in (b) of this Section 14.4, the Pool or the affected Series will terminate, and the Board of Directors will be discharged of any and all further liabilities and duties under this Agreement pertaining to the Pool or the affected Series, as the case may be, and the rights, titles and interests of all parties will be canceled and discharged.

Section 14.5 Open References. Headings. Principal Office. (a) The original or a copy of this Agreement will be kept at the principal office of the Corporation where any Unitholder may inspect it. All records of the Pool will be maintained in accordance with the Articles and Bylaws.

(b) Anyone dealing with the Pool may rely on a certification by the Board of Directors or an officer of the Corporation as to whether or not any supplements to this Agreement have been made and as to any matters in connection with the Pool under this Agreement, and with the same effect as if it were the original, may rely on a copy certified by the Board of Directors or an officer of the Corporation to be a copy of this instrument or of any supplement. In this Agreement or in any supplement, references to this Agreement will be deemed to refer to this Agreement as amended or affected by any such supplement to this Agreement.

(c) Headings are placed in this Agreement for convenience of reference only, and in case of any conflict, the text of this instrument, rather than the headings, will control.

(d) This instrument may be executed in any number of counterparts, each of which will be deemed an original.

(e) The principal office of the Corporation will be located at 217 Second Street, Suite 200, Juneau, Alaska 99801 or such other office as the Board of Directors may from time to time determine.

Section 14.6 Applicable Law. The terms and conditions of this Agreement will be governed by and interpreted in accordance with the laws of the State of Alaska. The Corporation is a nonprofit corporation incorporated pursuant to the Alaska Nonprofit Corporations Act and further established pursuant to the Alaska Investment Pool Act.

Section 14.7 Amendments. (a) This Agreement and any Series Supplement may be amended by a two-thirds vote of the Board of Directors. Such amendments will take effect at a time fixed by the Board of Directors but in no event sooner than 60 days after notice of such amendment has been provided to all Participants holding Units of each Series affected by the amendment. Such notice will contain a description of the amendment and the date such amendment becomes effective. Participants who have not withdrawn from the Agreement (or if the amendment is to a Series Supplement, the affected Series) by the date upon which the amendment becomes effective will be deemed to have consented to the amendment. Copies of the amendment will be kept in accordance with Section 14.5 of this Agreement.

(b) Notwithstanding the provisions of (a) of this Section 14.7, creation of a new Series and issuance of a new Series Supplement will be deemed an amendment to this Agreement, but it may be effected by a majority vote of the Board of Directors and will not require the notice to Participants described in (a) of this Section 14.7. Copies of the Series Supplement will be kept as specified in Section 14.5 of this Agreement.

Section 14.8 Fiscal Year. The fiscal year of the Corporation and therefore the Pool will end on a date established by resolution of the Board of Directors as required in the Bylaws, and the Board of Directors may, without Participant approval, change the end of the fiscal year of the Corporation and the Pool.

Section 14.9 Defect As To Provision or Participation. (a) The provisions of this Agreement are severable, and if one or more of such provisions are found to be in conflict with applicable law, such provisions will be deemed never to have constituted a part of this Agreement; provided however, that such findings will not affect or impair any of the remaining provisions of this Agreement, or render invalid or improper any action taken or admitted prior to such finding.

(b) A Participation in this Agreement or transfer of assets to the Corporation for placement in the Pool or to any Series of the Pool by a person who is not qualified, by virtue of law or otherwise, to so participate, (1) will not operate to terminate this Agreement or the Participation of other Participants and (2) will not invalidate or otherwise adversely affect the Pool and the interests of those other Participants.

IN WITNESS WHEREOF, the parties to this Agreement, acting through their respective governing bodies and authorized representatives, hereby execute this Agreement as of \_\_\_\_\_, 20\_\_.

ALASKA MUNICIPAL LEAGUE  
INVESTMENT POOL, INC

\_\_\_\_\_  
(Name of Government Entity)

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

its: \_\_\_\_\_

(Seal)

(Seal)

**AMLIP ACCOUNT APPLICATION / SIGNATURE CARD**

- ☐ Application  
☐ Signature Card Revision

Account Number (and underlying portfolios): \_\_\_\_\_

Submit the completed application by fax or email. Be sure to include the certification signature and Seal at the bottom of page 2.

Fax to 1-800-642-5089 or Email to ISC\_Cleveland@keybank.com

**1. ACCOUNT REGISTRATION**

Government Entity Name: [Click to enter government entity name](#)

Mailing Address: [Click to enter mailing address](#)

City: [Click to enter city.](#)

State: **AK** Zip Code: [Click to enter zip code](#)

Primary Contact: [Click to enter primary contact name](#)

Phone Number: [Click to enter primary contact phone](#)

Email Address: [Click to enter primary contact email](#)

Secondary Contact: [Click to enter secondary contact name](#)

Phone Number: [Click to enter secondary contact phone](#)

Email Address: [Click to enter secondary contact email](#)

**2. SIGNATURE AND TAX CERTIFICATION**

I certify that [Click to enter tax identification number](#) is the correct Tax Identification Number and that the government entity is an exempt recipient.

Under the penalties of perjury, I certify that the information provided on this application is true, correct and complete, and agree to the terms thereof.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title: [Click to enter title](#)

[If you are unable to certify your status as an exempt recipient, or have any questions, please contact Alaska Permanent Capital Management at 907-272-7575.]

**3. CERTIFICATE OF AUTHORITY**

It is necessary for you to provide a certified copy of a Certificate of Authority identifying those individuals who may authorize withdrawals. The attached form needs to be used for this purpose. A certified copy of a resolution is also acceptable. It is understood that the Pool, KeyBank (the Custodian Bank) may rely upon these authorizations until revoked or amended by written notices delivered to KeyBank by registered or certified mail.

## CERTIFICATE OF AUTHORITY

The undersigned hereby certifies and affirms that he/she is the duly elected/delegated/appointed [Click to enter title of undersigned](#) of [Click to enter name of government entity](#) (herein "Investor"), a [Click to enter type of government entity](#), organized under the laws of the State of Alaska. The Undersigned hereby certifies that the [Click to enter officers' title](#) of the Investor are authorized to open an account in the name of the Investor in the Alaska Municipal League Investment Pool and to invest such funds of the Investor in this account as they may deem necessary; that the persons authorized below may endorse checks and other instruments for investment in said account and that written requests withdrawing said funds must be signed by [Click to enter number](#) of the persons authorized below.

The undersigned further certifies that the Pool and its Custodian Bank, KeyBank, shall be held harmless and fully protected in relying from time to time upon any certifications by the secretary or clerk of the Investor as to the names of the individuals occupying such offices and in acting in reliance upon the foregoing certification until actual receipt by them of a Certificate of Authority issued by the secretary or clerk of the Investor modifying or revoking any or all such resolutions.

The undersigned further certifies that the following individuals occupy the offices designated

Name: [Click to enter name](#)

Title: [Click to enter title.](#)

Signature: \_\_\_\_\_

Name: [Click to enter name](#)

Title: [Click to enter title.](#)

Signature: \_\_\_\_\_

Name: [Click to enter name](#)

Title: [Click to enter title.](#)

Signature: \_\_\_\_\_

Name: [Click to enter name](#)

Title: [Click to enter title.](#)

Signature: \_\_\_\_\_

Use the space below to include additional names, titles and signatures on printed page as needed. Attach an additional certificate of authority page if necessary.

Name:

Title:

Signature: \_\_\_\_\_

Name:

Title:

Signature: \_\_\_\_\_

Name:

Title:

Signature: \_\_\_\_\_

Name:

Title:

Signature: \_\_\_\_\_

**Government Entity Name:** [Click to enter government entity name](#)

**Signature:**

{SEAL}

[Click to enter title](#)

Government Entity's Seal Date: \_\_\_\_\_

# **BYLAWS OF ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC.**

## **ARTICLE I - OFFICES**

### **Section 1. Registered Office.**

A registered office will be maintained by the Corporation in the State of Alaska at such location as the Board of Directors, from time to time, designates.

### **Section 2. Other Offices.**

The Corporation also may have offices at such other places both within and without the State of Alaska as the Board of Directors may from time to time determine or as the business of the Corporation may require.

## **ARTICLE II - MEMBERS**

### **Section 1. Qualifications.**

(a) The Corporation will have one class of voting members consisting of public entities in Alaska defined as political subdivisions of the State of Alaska, including municipalities and their subdivisions, school districts and regional educational attendance areas. The Corporation may enter into an Alaska Municipal League Investment Pool, Inc. Common Investment Agreement with a member.

(b) A person seeking to be a member under this Section 1 may become a member only upon approval of the Board of Directors and remain a member only so long as that person satisfies the conditions of this Section 1 and Article VII of these Bylaws.

(c) As a basis for its approval of an application for membership in the Corporation by a person, the Board of Directors will require the person to provide a certified copy of an ordinance (in the case of a municipality and its subdivisions) enacted by the corresponding governing body or a certified copy of a resolution or other procedure (in the case of other public entities as defined in (a) of this Section (1)) adopted by the corresponding governing body. The ordinance or resolution must be in a form as adopted, approved or otherwise authorized by the Board of Directors. The following approvals and authorizations must be contained within the ordinance or resolution:

(i) Approval of public entity membership in the Corporation and the terms and conditions of the investment pool agreement between the Corporation, the person and other participants in the investment pool administered by the Corporation;

(ii) Authorization for one or more officers of the person to execute and deliver the investment pool agreement and any amendments to it to the Corporation and to do other acts to allow the person to become a member of the Corporation; and

(iii) Authorization of the transfer of public funds of the person to the Corporation for placement and investment in the investment pool administered by the Corporation.

### **Section 2. Location of Meetings.**

All meetings of members, for the purpose of electing directors and for the transaction of such other business as properly may come before the members, will be held during the week of the annual conference of the Alaska Municipal League normally held in November of each year or on such other day and at such time as will be designated by the Board of Directors.

**Section 3. Special Meetings.**

Special meetings of the members may be called at any time by the President, the Board of Directors, or members holding not less than one-tenth of all the votes entitled to be cast at such meeting.

**Section 4. Notice of Meetings.**

Written or printed notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, will be delivered not less than 10 nor more than 50 days before the date of the meeting, either personally, by mail or by facsimile transfer to each member of record entitled to vote at such meeting. Only members of record on the record date established by the Board of Directors pursuant to Section 6 of this Article II will be entitled to notice of such meeting.

**Section 5. Quorums and Adjournments.**

Members holding at least one-third of the votes entitled to be cast, present in person or by electronic media, or proxy will constitute a quorum at all meetings of the members for the transaction of business except as otherwise, provided by applicable law or by the Articles of Incorporation for the Corporation. If, however, such quorum initially is not present or represented at any meeting of the members, those members present in person or electronic media and entitled to vote will have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present or represented. At such reconvened meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting.

**Section 6. Voting Rights.**

(a) The persons entitled to receive notices of and to vote at any member meeting will be determined from the records of the Corporation on the record date of mailing of the notice or on such other record date determined by the Board of Directors, but in no event more than 50 nor less than 10 days before such meeting fixed in advance by the Board of Directors.

(b) A public entity will be entitled to vote as a member of the Corporation at an annual or special meeting of members; provided that the public entity has on the record date determined by the Board of Directors for that meeting a positive balance in an investment account held in the investment pool maintained through the Corporation.

(c) Except, and to the extent, provided otherwise by express provision of applicable law or of the Articles of Incorporation of the Corporation, each member entitled to vote at a meeting of members will have one vote registered in the name of the member in the membership books of the Corporation.

(d) If a quorum is present at any meeting, the affirmative vote of a majority of the votes represented at the meeting and entitled to vote on the subject matter will be the act of the members, unless by express provision of statute or of the Articles of Incorporation of the Corporation a different vote is required, in which case such express provision will govern and control.

**Section 7. Meeting by Electronic Media.**

The members may meet and transact business at an annual meeting or a special meeting by electronic media if the following procedure is followed: (1) notice to members of the time and locations where the meeting will be held by electronic media has been given in the same manner as if the meeting were held in a single location; (2) members in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and (3) copies of pertinent reference materials, statutes, regulations and audio-visual materials are reasonably available to the members. A meeting by electronic media as provided in this Section 7 has the same legal effect as a meeting in person.

**Section 8. Voting by Members.**

A vote of a public entity which is a member of the Corporation may be voted by such officer or agent as the chief administrative officer that public entity may prescribe.

**ARTICLE III - DIRECTORS****Section 1. Powers.**

All corporate powers will be exercised by or under the authority of, and the business and affairs of the Corporation will be managed under the direction of, the board of directors of the Corporation ("Board of Directors") except as expressly provided otherwise under Alaska Statutes AS 10.20, the Articles of Incorporation of the Corporation or these Bylaws.

**Section 2. Number.**

(a) The number of directors which will constitute the whole Board of Directors will be seven until the number is changed by adoption of a resolution amending these Bylaws by at least a simple majority of the Board of Directors; provided that the board of directors of the Alaska Municipal League will at all times have power to nominate, elect and otherwise appoint persons to a designated simple majority of the positions on the Board of Directors, and the members will at an annual or special meeting of members of the Corporation have power to nominate and elect persons to the other remaining designated positions on the Board of Directors.

(b) No reduction in the number of directors will have the effect of removing any director prior to the expiration of that person's term of office.

**Section 3. Term.**

(a) At the first annual election of directors and at each annual meeting thereafter persons will be elected to the Board of Directors to hold office until each successor is elected, qualified, and accepts office.

(b) The Board of Directors will be divided into three classes: Class I, Class II and Class III. Each such class will consist, as nearly as possible, of one-third of the whole number of the Board. The initial Class I directors as determined by the initial Board of Directors will serve until the next Annual Meeting following such date. The initial Class II directors as determined by the initial Board of Directors will serve until the second Annual Meeting following such date. The initial Class III directors as determined by the initial Board of Directors will serve until the third Annual Meeting following such date. In the case of each such class, such directors will serve, subject to their earlier death, resignation or removal in accordance with the Articles of Incorporation, these Bylaws and the laws of the State of Alaska, until their respective successors will be elected and will be qualified. At each Annual Meeting after the date of such filing, the directors chosen to succeed those whose terms will have expired will be elected to hold office for a term to expire at the third succeeding Annual Meeting after their election and, subject to their earlier death, resignation or removal in accordance with the Articles of Incorporation, these Bylaws and the laws of the State of Alaska, until their respective successors will be elected and will be qualified. If the number of directors is changed, any increase or decrease will be apportioned among such classes so as to maintain all classes as equal in number as possible, and any additional director elected to any class will hold office for a term which will coincide with the terms of the other directors in such class.

(c) As used in these Bylaws, the terms "whole Board" or "entire Board" will mean the number of directors the Corporation would have under these Bylaws at the time of determination if there were no vacancies.

**Section 4. Vacancies.**

(a) A vacancy on the Board of Directors will exist upon the death, resignation or removal of any director.

(b) Any director may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary of the Corporation. Any such resignation will take effect upon receipt of such notice or at any later time specified in the notice. In the event the resignation of a director is tendered to take effect at a future time, a successor may be elected to take office when the resignation becomes effective.

(c) (i) Vacancies on the Board of Directors will be filled as follows:

(A) If pertaining to a director position within the allocation of directors to the Alaska Municipal League under Section 2 of this Article III, by a majority vote of the board of directors of the Alaska Municipal League at a regular or special meeting of the board of directors of the Alaska Municipal League; and

(B) If pertaining to a director position within the allocation of directors to the members under Section 2 of this Article III, by the Board of Directors.

(ii) Each director so elected will hold office for the balance of the unexpired term of that person's predecessor and until that person's successor is elected, qualified and accepts office.

(d) In no case may a vacancy continue for longer than six months or until the next annual meeting of the members, whichever first occurs.

#### **Section 5. Qualifications.**

(a) The qualifications for individuals appointed or elected to the Board of Directors are as follows:

(i) Must be at least 21 years of age; and

(ii) If to be elected by the members of the Corporation, must be nominated by at least one member of the Corporation; and

(iii) If to be appointed by the board of directors of the Alaska Municipal League, must be designated as the representative of the Alaska Municipal League.

(iv) Board members must be an employee or elected official of a member entity with money in the Pool.

(b) (i) In addition to the provisions of (a) of this Section 5, the composition of the Board of Directors must at all times meet the following criteria:

(A) A simple majority of the Board of Directors must be composed of individuals appointed by the board of directors of the Alaska Municipal League and designated as its authorized representatives;

(B) A simple majority of the Board of Directors must be composed of individuals each of whom is an authorized representative of a public entity which is an active participant in the investment pool services offered by the Corporation, i.e., a public entity that has entered into an Alaska Municipal League Common Investment Agreement through due and proper authorization, has a positive balance in an investment account held in the investment pool maintained by the Corporation and has not terminated that status; and

(C) A simple majority of the Board of Directors must be composed of individuals each of whom displays demonstrated professional competence in the fields of investment, finance, accounting or business.

- (ii) Notwithstanding other provisions of this Section 5, in the nomination or election of any individual to the Board of Directors due consideration will be given to individuals who display demonstrated professional competence in the fields of investment, finance, accounting or business.

#### **Section 6. Executive Committee, Other Committees.**

(a) The Board of Directors, by resolution adopted by at least a majority vote of the entire Board of Directors, may designate, from among its members, an Executive Committee of that board composed of at least two directors. The Executive Committee will have authority as set forth by resolution of the Board of Directors or these Bylaws, except as provided in (b) of this Section 6.

(b) The following areas of responsibility are expressly reserved to the Board of Directors and will not be delegated to the Executive Committee:

- (i) Approving or recommending to members actions or proposals required by Alaska Statutes 10.20 to be approved by members;
- (ii) Designating candidates for the office of director or filling vacancies on the Board of Directors or any committee of the Board;
- (iii) Adopting, altering, amending or repealing the Bylaws;
- (iv) Approving a plan or merger, sale of assets or other reorganization of the Corporation;
- (v) Authorizing, approving or ratifying contracts or other transactions involving the Corporation.

(c) The designation of the Executive Committee, the delegation to that committee of authority or action by that committee under that authority does not alone constitute compliance by a member of the Board of Directors or that committee with the responsibility imposed by law including to act in good faith, in a manner the member reasonably believes to be in the best interests of the Corporation, and with the care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

(d) The Board of Directors, by resolution adopted by at least a majority vote of the entire Board of Directors, may designate, from among its members or otherwise, other committees for specific purposes of the board not otherwise inconsistent with these Bylaws.

#### **Section 7. Meetings.**

(a) Regular or special meetings of the Board of Directors or of the Executive Committee will be held at such place as may be designated from time to time by the Board of Directors or any other person calling the meeting. Meetings of the Board of Directors may be called by the President or by at least three directors on the Board of Directors. Meetings of the Executive Committee or another committee appointed by the Board of Directors may be called by the chair of that committee or by at least two members of that committee, as the case may be.

(b) The first meeting of each newly elected Board of Directors will be held, without notice, immediately following the adjournment of the annual meeting of members.

(c) Regular meetings of the Board of Directors, or of the Executive Committee, or of another committee appointed by the board may be held, without notice, at such time and place, as will from time to time be fixed by the board or these Bylaws.

(d) Special meetings of the Board of Directors, or of the Executive Committee, or of another

committee appointed by the board will be held upon either notice in writing sent 5 days before the meeting or notice by electronic means, personal messenger, or comparable person-to-person communication given at least 72 hours before the meeting. In the case of a special meeting, the notice must include disclosure of the business to be transacted and the purpose of the meeting.

- (e) (i) Any meeting of the Board of Directors, or of the Executive Committee, or of another committee appointed by the board which has been duly noticed and which could properly be held by the directors attending in person, may, at the discretion of the President of the Corporation or the chair of the committee in question, as the case may be, or at the request of at least three directors on the Board of Directors or at least two members of the Executive Committee or other committee, as the case may be, be conducted via conference telephone or similar means of simultaneous electronic communication, provided that the authority to meet and transact business by such electronic media must follow the following procedures:
  - (A) Notice of the time and locations where the meeting will be held by electronic media has been given in the same manner as if the meeting were held in a single location;
  - (B) Officers, directors and other participants in attendance can hear and have the same right to participate in the meeting as if the meeting were conducted in person; and
  - (C) Copies of pertinent reference materials, statutes, regulations and audio-visual materials are reasonably available to officers, directors and participants at the meeting.
- (ii) A meeting by electronic media as provided in this subsection (e) has the same legal effect as a meeting in person.

#### **Section 8. Quorums.**

(a) A majority of the directors at a meeting of the Board of Directors duly assembled will constitute a quorum for the transaction of business. The act of at least a majority of the directors present at any meeting of the Board of Directors at which a quorum is present will be the act of the Board of Directors, except as may be otherwise specifically provided by the Articles of Incorporation of this Corporation or by these Bylaws. If a quorum initially is not present at any meeting of directors, the directors present at that meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

(b) A majority of the directors at a meeting of the Executive Committee or another committee appointed by the Board of Directors duly assembled will constitute a quorum for the transaction of business. The act of a majority of the members of such a committee present at any meeting of that committee at which a quorum is present will be the act of that committee, except as may be otherwise specifically provided by the Articles of Incorporation of this Corporation or these Bylaws. If a quorum initially is not present at any meeting of such a committee, the members present at that meeting may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum is present.

#### **Section 9. Removal of Directors.**

(a) Persons who are a part of the designated simple majority of the positions on the Board of Directors nominated, elected and otherwise appointed to that board by the board of directors of the Alaska Municipal League may be removed and replaced by other persons by a vote of at least a simple majority of the board of directors of the league at a regular or special meeting of the board of directors of the league.

(b) Persons who are a part of the designated minority of the positions on the Board of Directors

nominated and elected to that board by the members of the Corporation may be removed and replaced by other persons by nomination and election of other persons at an annual or special meeting of members as otherwise provided in these Bylaws.

## **ARTICLE IV - NOTICES AND WAIVERS**

### **Section 1. Form of Notices.**

Whenever under the provisions of statutes, of the Articles of Incorporation of the Corporation or of these Bylaws, notice is required to be given to any director or member, it will be given in writing, by mail, by facsimile transfer or by telegram, addressed to such director or member at such address as appears on the records of the Corporation. If by mail, it will be sent with postage thereon prepaid, and such notice by mail will be deemed to be given at the time when deposited in the United States mail. If addressed to a member, the address of the member will be used as appears on the membership books of the Corporation, or, if the member has filed with the Secretary a written request that the notice be mailed to a different address, the Corporation will mail the notice to that other address.

### **Section 2. Attendance at Meetings.**

Attendance by a member or a director, either in person or by electronic media, will constitute a waiver of notice of such meeting, except where an appearance is made for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

### **Section 3. Waivers.**

Whenever any notice is required to be given under the provisions of statutes, the Articles of Incorporation of the Corporation or these Bylaws, a waiver of the notice in writing, signed by the person entitled to the notice either before or after the time stated in the notice, will be deemed equivalent to the giving of that notice.

## **ARTICLE V - OFFICERS**

### **Section 1. Designation.**

The officers of the Corporation will be a President, a Secretary and a Treasurer; provided that the Board of Directors may, by resolution adopted by at least a majority of the directors, establish other officer positions and elect persons to fill those positions including Vice President and other officers, assistant officers and agents as the Board of Directors by resolution will designate. The Board of Directors by resolution may provide that an officer is an ex-officio member of the board. Any two officer positions may be held by the same person except the positions of President and Secretary.

### **Section 2. Election.**

The Board of Directors, at its first meeting after each annual meeting of the members, will elect a President, a Secretary and a Treasurer. Other officers, assistant officers or agents of the Corporation will be elected at such meeting, or on such other occasions as the Board of Directors in its discretion will from time to time deem appropriate. Except in the event of removal by the Board of Directors, death, resignation, disqualification or abolition of an office, the officers, assistant officers and agents of the Corporation will hold office until their successors are chosen and qualified, or for such other period as the Board of Directors may determine.

### **Section 3. Vacancies and Removal.**

- (a) A vacancy in any office because of death, resignation, removal, disqualification or any other cause will be filled in the manner prescribed in these Bylaws for regular appointments to such office, unless at least a majority of the directors vote to abolish such office (other than an office required by law).
- (b) Any officer, assistant officer or agent may be removed, or any office abolished (other than an office required by law), whenever in the judgment of the Board of Directors the best interests of the Corporation will be served, and such removal is pursuant to the affirmative vote of at least a majority of the Board of Directors.

(c) Any officer, assistant officer or agent may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Corporation. Any such resignation will take effect upon receipt of such notice or at any later time specified in the notice. Unless otherwise specified in the notice, the acceptance of such resignation will not be necessary to make it effective, provided that the Board of Directors may reject any postdated resignation by notice in writing to the resigning officer.

(d) This Section 3 will not affect the rights of the Corporation or any corporate officer, assistant officer or agent under any express contract of employment.

#### **Section 4. Compensation.**

The salaries and other compensation of all officers, assistant officers and agents of the Corporation will be fixed by the Board of Directors.

#### **Section 5. President.**

The President will be responsible for carrying out policy directives of the Board of Directors and will be responsible for general management of the business of the Corporation. The President will preside at meetings of the members and directors, and the President will be ex officio a member of all standing committees, unless the Board of Directors designates otherwise. The President will have authority to sign or countersign all certificates, contracts and other instruments of the Corporation, under the seal of the Corporation or otherwise, except where required by law to be otherwise signed and executed, and except where the signing and execution thereof will be delegated or reserved by the Board of Directors to some other officer or agent of the Corporation. The President will perform all other duties as are incident to the office or are properly required of the President by the Board of Directors.

#### **Section 6. Secretary.**

The Secretary will attend all meetings of the Board of Directors and all meetings of the members and will record, or cause to be recorded, all votes and the minutes of all proceedings in a book to be kept for that purpose, and will perform like duties for the standing committees of the Corporation when required. The Secretary will give, or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and will perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Secretary will be. Unless otherwise provided by the Board of Directors, the Secretary will have authority to affix the corporate seal to any instrument requiring a seal, and when so affixed, it will be attested by the Secretary's signature or by the signature of an Assistant Secretary, if any. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing of that officer's signature.

#### **Section 7. Treasurer.**

The Treasurer will keep or cause to be kept accounts of all of the monies of the Corporation received and disbursed, and subject to direction of the Board of Directors, will safely keep or cause to be kept all securities and valuables of the Corporation. The Treasurer will, from time to time, make such reports to the officers, Board of Directors and members as may be required and will perform such other duties as may be prescribed by the Board of Directors or the President, under whose supervision the Treasurer will be. In the absence of a Treasurer, the duties of the Treasurer will be discharged by the Secretary, or such other officer as the Board of Directors will designate.

#### **Section 8. Other Officers.**

Other officers, assistant officers or agents appointed by the Board of Directors will exercise such powers and perform such duties as will be determined from time to time by the Board of Directors. Unless otherwise specified by the Board of Directors, any Assistant Secretary or Assistant Treasurer will have authority to exercise any powers delegated to them from the Secretary or Treasurer, respectively, and, in the absence of the Secretary or Treasurer, will assume all powers and discharge all duties ordinarily exercised by such absent officer.

## ARTICLE VI - STANDARD OF CARE, INDEMNIFICATION, INSURANCE

### Section 1. Institutional Investor Duty.

The management and investment of assets of participants in investment pools formed and administered through the Corporation, its officers, directors, employees and agents will be done with the care, skill, prudence and diligence under the circumstances then prevailing that an institutional investor would use in the conduct of an enterprise of a like character and with like aims.

### Section 2. Indemnification.

The Corporation will defend, indemnify and hold harmless each director, officer and employee of the Corporation for expenses, including attorney's fees, and the amount of any judgment, money decree, fine, penalty or settlement for which he or she may become liable by reason of his or her being or having been a director, officer or employee of the Corporation or who exercises powers or performs duties for the Corporation, except in relation to matters as to which that director, officer or employee is finally adjudged in any action, suit, or proceeding to be liable for failure to act in good faith in the performance of his or her duties as such director, officer or employee.

### Section 3. Insurance.

At the discretion of the Board of Directors, the Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against that person and incurred by that person in any such capacity, or arising out of that status, whether or not the Corporation would have the power to indemnify that person against such liability under the provisions of this Article VI.

## ARTICLE VII - WITHDRAWAL AND TERMINATION OF MEMBERSHIP

### Section 1. Participation.

(a) A Public Entity may continue to be a member and a participant in the investment services offered through the Corporation subject to the terms and conditions of the Articles of Incorporation for the Corporation, the Alaska Municipal League Common Investment Agreement and these Bylaws.

(b) In the event that the Alaska Investment Pool Act (AS 37.23.010-37.23.900) is amended so as to expand the definition of "public entity" as set forth in Article II, Section 1(a) of these Bylaws, the Board of Directors will have the power to determine whether and under what circumstances any new category of public entity may become a member of the Corporation and a party to the Alaska Municipal League Common Investment Agreement. In the event that the Alaska Investment Pool Act is amended so as to exclude from the definition of "public entity" as contained in these Bylaws any previously included entity, the Board of Directors will promptly determine whether any existing member has lost its status as a public entity (or will lose such status upon effectiveness of such amendment). If the Board of Directors determines, after obtaining the advice of counsel, that an existing member is no longer a public entity (or will not be a public entity upon the effectiveness of the amendment), the Board of Directors will so notify that member, redeem any units of that member in the Corporation and transfer to that member the resulting funds and other investment funds of that member administered through the Corporation and terminate the membership in the Corporation and participation of that member in any investment pools of the Corporation. The Board of Directors will have final authority with respect to determinations under this subsection (b).

(c) Should the federal income tax law be amended so as to cause the income of an investment pool established by the Corporation and subject to the Alaska Municipal League Investment Pool, Inc. Common Investment Agreement to be subject to federal income taxation, the Board of Directors will promptly determine whether that subjugation could be eliminated through the termination of membership in the Corporation and termination of participation in that investment pool by one or more public entities and may, upon advice of legal counsel, terminate the membership in the Corporation and the participation of those public entities in the pool to eliminate the subjugation of the pool to federal income taxation. Should the Board of Directors determine to terminate the

membership and participation of a public entity under this subsection (c), it will so notify that member, redeem any units of that member held in the Corporation and transfer to that member the resulting funds and other investment funds of that member administered through the Corporation and terminate the membership and participation of that member. The Board of Directors will have final authority with respect to determinations under this subsection (c).

**Section 2. Withdrawal from Participation.**

A member may withdraw from the Corporation, subject to the provisions of these Bylaws and of any Alaska Municipal League Investment Pool, Inc. Common Investment Agreement entered into with the Corporation.

**ARTICLE VIII - CERTIFICATES**

**Section 1. Form of Certificates.**

Certificates for membership in the Corporation will be in such form (not inconsistent with the Articles of Incorporation of the Corporation or applicable law) as approved by the Board of Directors and will be numbered and entered in the membership books of the Corporation as they are issued. Every certificate for membership will be signed by the President or a Vice President and by the Secretary or an Assistant Secretary.

**Section 2. Membership Registrars.**

The Board of Directors may, from time to time, appoint one or more registrars for memberships in the Corporation who will have such powers and duties as the Board of Directors will specify.

**Section 3. Presumption of Membership.**

The Corporation will be entitled to treat the holder of record of any certificate for membership as the holder in fact of that certificate authorizing the holder to vote as such member and, accordingly, will not be bound to recognize any equitable or other claim to or interest in such membership on the part of any other person, whether or not the Corporation will have express or other notice thereof, except as expressly provided by applicable law.

**Section 4. Membership without Certificates.**

Notwithstanding the provisions of Sections 1 through 3 of this Article VIII, the Board of Directors may, by resolution, authorize the issuance without certificates of some or all of the memberships in the Corporation. The authorization does not affect memberships that are already represented by certificates until the certificates are surrendered to the Corporation.

**ARTICLE IX - BOOKS AND RECORDS**

**Section 1. Correct and Complete, Inspection.**

(a) The Corporation will keep correct and complete books and records of account and will keep minutes of the proceedings of its members, the Board of Directors, and committees appointed by the board, if any.

(b) All books and records of the Corporation may be inspected by any member or its agent or attorney for any proper purpose at any time during normal business hours at the registered office of the Corporation in Alaska.

**Section 2. List of Members Entitled To Vote.**

The Corporation will keep at its registered office in Alaska a record of the names and addresses of members entitled to vote.

**Section 3. Alaska Open Meetings Law.**

All annual and special meetings of the members of the Corporation, all regular and special meetings of the Board of Directors and all meetings of committees of the Board of Directors, if any, will be conducted in accordance with the Alaska open meetings law found at AS 44.62.310.

## ARTICLE X - ADMINISTRATIVE STRUCTURE

### Section 1. Executive Director, Staffing.

(a) The day-to-day operations of the Corporation will be carried out by an Executive Director under the supervision of the President of the Corporation. The Executive Director will carry out other tasks as assigned by the President of the Corporation. The position of Executive Director of the Corporation will be filled by the executive director of the Alaska Municipal League.

(b) The Executive Director of the Corporation will be supported by staff of the Alaska Municipal League and such other staff as the Board of Directors may by resolution approve.

(c) The Corporation will share office space and office equipment and furniture with the Alaska Municipal League in the existing offices of the Alaska Municipal League at 217 Second Street in Juneau, Alaska, or such other offices which the Alaska Municipal League may acquire or lease, and such other office space and office equipment and furniture as the Board of Directors may by resolution approve.

(d) The Corporation will enter into agreements with the Alaska Municipal League and as adopted by the Board of Directors setting forth the terms and conditions for the implementation of and compliance with the provisions of (a), (b) and (c) of this Section 1 including but not limited to the following:

- (i) The sharing of time and payment therefor of the individual who will be the Executive Director of the Corporation and the Executive Director of the Alaska Municipal League;
- (ii) The sharing of time and payment therefor of the individuals who will be the staff of the Corporation and the staff of the Alaska Municipal League;
- (iii) The sharing of office space and office equipment and furniture with the Alaska Municipal League and the payment therefor; and
- (iv) The providing of general office administrative services by the Alaska Municipal League to the Corporation not otherwise provided by a contract manager, adviser, investment officer or custodian.

### Section 2. Use of Name, Marketing.

(a) The Alaska Municipal League will do the following:

- (i) Allow the use of its name in the corporate name of the Corporation, in agreements and other documents entered into by the Corporation and in other materials or settings used by the Corporation and in the advertising of the services of the Corporation; and
- (ii) Assist in dissemination of information to the membership of the Alaska Municipal League and other public entities in Alaska pertaining to the investment services of the Corporation, prepare and publish articles in its publications on those services, arrange for meetings between its members and the investment manager retained by the Corporation and otherwise assist in apprising the members of the Alaska Municipal League and others of the services of the Corporation.

(b) Should the Alaska Municipal League in the future cease to have the power to nominate, elect and otherwise appoint persons to a designated simple majority of the positions on the Board of Directors, the Corporation must immediately cease all use of the league's name, and the services set forth in Sections 1 and 2 of this Article X will terminate.

**Section 3. Institutional Fee.**

In return for the ongoing services of the Alaska Municipal League as set forth in Sections 1 and 2 of this Article X and for the use of the name of the Alaska Municipal League and its logo, the Corporation will pay to the Alaska Municipal League for each common investment agreement entered into between a Public Entity and the Corporation an institutional fee, based upon the average monthly assets subject to each common investment agreement entered into between the Corporation and a member of the Corporation. The institutional fee will be due and payable on a monthly basis for so long as there is a positive balance in assets of the Public Entity which are subject to that common investment agreement. The amount of the institutional fee will be established by the Board of Directors, by resolution.

**ARTICLE XI - GENERAL PROVISIONS****Section 1. Checks, Drafts.**

All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Corporation, will be signed or endorsed by such person or persons and in such manner as will be determined from time to time by resolution of the Board of Directors.

**Section 2. Fiscal Year.**

The fiscal year of this Corporation will be fixed by resolution of the Board of Directors.

**Section 3. Headings.**

The headings contained in these Bylaws are for convenience only and will not in any way affect the meaning or interpretation of these Bylaws.

**ARTICLE XII - AMENDMENT OF BYLAWS****Section 1. Amendment and Repeal.**

(a) Except as otherwise provided by law, the power to adopt, alter, amend or repeal these Bylaws and to adopt new Bylaws will be vested exclusively in the Board of Directors.

(b) The adoption, alteration, amendment or repeal of these Bylaws and the adoption of new Bylaws must be accomplished by a vote of at least a simple majority of the whole Board of Directors at a regular or special meeting called by written notice, and that notice must include a brief description of the proposal.

**Section 2. Recordation.**

Whenever action is taken to amend or alter the Bylaws or to adopt a new Bylaw, a copy of the amendment, alteration or new Bylaw will be filed and kept in the minute book with the original Bylaws. If any Bylaw is repealed, the fact of such repeal and the date on which it occurred will be recorded in the minute book, and a copy of it will be placed next to the original Bylaws.

I, the undersigned being the Secretary of ALASKA MUNICIPAL LEAGUE INVESTMENT POOL, INC. hereby certify the foregoing to be the Bylaws of the Corporation, as adopted by the Board of Directors, on the 14th day of August, 1992.

\_\_\_\_\_  
Secretary

As amended in June 2007

## CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>13</b>

Establishment of a Wrangell 2020 Census Complete Count Committee

SUBMITTED BY:

Carol Rushmore, Economic Development  
Director

FISCAL NOTE:

**Expenditure Required:** \$XXX Total

FY 20: \$	FY 21: \$	FY22: \$
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**Amount Budgeted:**

	FY20 \$XXX
--	------------

**Account Number(s):**

	XXXXXX XXX XXXX
--	-----------------

**Account Name(s):**

	Enter Text Here
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**Unencumbered Balance(s) (prior to expenditure):**

	\$XXX
--	-------

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Several Census 2020 Informational Documents

**RECOMMENDATION MOTION:**

Move to Approve the establishment of a Wrangell 2020 Census Complete Count Committee.

**SUMMARY STATEMENT:**

In 2020, the U.S. Census Bureau will conduct its next decennial census, the results of which will help determine apportionment of seats in the House of Representatives and the direction of billions of dollars in federal funding over each of the subsequent 10 years. In 2010, Wrangell had a very low

community response percentage-wise within the state. This affects funding not only at the Federal level but also at the State and local level. Responding to the Census is safe, it is easy, and it is critically important. Staff have met with census count officials here in Wrangell as well as during the Alaska Municipal League conference to understand what a committee can do, its importance, and how the members and their representatives can help make sure overlooked population segments are counted and to educate the public to respond to the 2020 Census.

Staff is recommending that a 2020 Census Complete Count Committee for Wrangell be established with at minimum the following representation:

City and Borough of Wrangell  
 Wrangell Chamber of Commerce  
 Wrangell Cooperative Association  
 Ministerial Association  
 Wrangell Public Schools  
 Wrangell Police Department  
 Senior Apt  
 Senior Housing  
 Library  
 Parks and Rec  
 Home School parents  
 KSTK  
 Wrangell Sentinel

March/April is when the Wrangell Census count begins and National Census Count Day is April 1. Local residents will likely be hired to drop of Census packets to every dwelling unit in Wrangell. Questionnaires can be done in person. If residents do not return their information, then individuals will do personal follow ups. There are many people that DO NOT TRUST the Federal government with their information. However, the information being requested from families is not only confidential and not used for anything but the Census, it is less personal information than what individuals provide the State for their PFD.

The Committee will help identify populations that might be missed; creative ways in which to get the word out; education on how to respond for family members and others that might be staying in the home. There is State assistance to the Committee to set their goals and priorities. Staff have already applied for a \$250 grant offered by Alaska Count for some local assistance.

For more Alaska Census information go to <https://alaskacounts.org/>

## *What is Alaska Counts?*

Alaska Counts is an education campaign organized by the Alaska Census Working Group (ACWG) to ensure that every person in Alaska understands that completing the census is...

- **Critical to ensuring that every community gets its full share of funding for local public services** - Census data determine the allocation of over \$3.2 billion in federal funding to Alaska, for everything from highways and hospitals to schools and public safety.
- **Confidential** - responses cannot be used to harm individuals in any way. It is a federal crime for the Census Bureau to share census data with any other group or agency. Violations may result in a \$250,000 fine and a prison sentence of up to 5 years.
- **Easy to complete** - takes only 10 minutes with benefits that last for the next 10 years.

The Alaska Census Working Group is a statewide, nonpartisan group of Alaskan businesses, nonprofits, governments, and tribal entities that share the same goal: help ensure a complete and accurate count of all Alaskans in the 2020 Census.

## *Census 101*

2020 Census is a once-a-decade count of every person residing in the United States.

- It determines how federal resources are allocated and provides data used by businesses to justify important **economic investments**.

The 2020 Census will kick off in Toksook Bay, Alaska, on January 21, 2020. It begins early here because of the unique challenges our state poses to counting every Alaskan:

- No road system outside of major cities; Unique geographic/climate challenges; Cultural and language barriers; Prevalence of hard-to-count populations

To ensure a complete count in 2020, **trusted local leaders are critical** to educating local community members about the importance of the census.

## *What is the Working Group doing?*

The campaign is working with the Census Bureau, local partners and stakeholders, along with community organizations to help educate Alaskans that their responses help Alaska's **economy, public safety, and public services for the future**.

We'll provide complementary support to the Census Bureau's outreach with local leaders across the state who are in the process of establishing Complete Count Committees and mobilizing to educate their local communities about the importance of a complete and accurate count.

Activities currently include:

- **House** educational resources on a centralized website - full site slated to go live Aug 1.
- **Generate** informational mail pieces to reach hard-to-count populations and communities
- **Create** posters, fact sheets, and social media resources for Complete Count Committees
- **Coordinate and fund** translation of key materials such as those listed above - focusing on people in the hardest-to-count remote villages of Alaska
- **Support** local community outreach efforts through mini grants



## Will Alaskans' responses to the census remain confidential?

There are strong, long-standing legal protections in place that prohibit the Census Bureau or any other part of the federal government from using census data against the Alaskans who supply it.

1

**Your individual responses to the 2020 Census are confidential and can only be used to produce statistics.**<sup>1</sup> This includes responses on census questionnaires, names, addresses, and residential locations.

2

**By law, the U.S. Census Bureau cannot share an individual's information with immigration enforcement agencies, law enforcement agencies, or allow it to be used to determine your eligibility for government benefits.**

In other words, individual census data may not be used "to the detriment" of any census respondent or other person to whom the data relates.<sup>2</sup> This means that a landlord, employer, or business will never have access to your responses to the census.

3

**It is a felony for census workers or Census Bureau employees to publish or distribute individual responses or any information that would identify an individual, business, or organization.**<sup>3</sup> Employees who view individual census responses are sworn to protect the confidentiality of those data for life – anyone who wrongfully discloses census data is subject to a fine of up to \$250,000 and a prison sentence of up to five years.<sup>4</sup>

**Legal Protections to Protect Confidentiality of Census Responses**  
*The Confidential Information Protection and Statistical Efficiency Act*  
*The Census Act*  
*The Privacy Act*  
*The Internal Revenue Code*

<sup>1</sup> 13 U.S.C. § 9(a)(1) (Census Bureau may not "use the information furnished under the provisions of this title for any purpose other than the statistical purposes for which it is supplied").

<sup>2</sup> 9 13 U.S.C. § 8(c). The Census Act does not define "detriment."

<sup>3</sup> 1 13 U.S.C. § 9(a)(3) (Census Bureau may not "permit anyone other than the sworn officers and employees of the Department or bureau or agency thereof to examine the individual reports").

<sup>4</sup> 13 U.S.C. § 214; 18 U.S.C. §§ , 3571.



## 2020 CENSUS:

Item f.

### Inspiring response by communicating with Alaskans through post office boxes

*"Inspiring every household in the country to complete the census is an enormous, increasingly complex, and unparalleled challenge. With an increasingly diverse population and a drop in public participation, an effective communications strategy is critical to the success of the census."*

2020 Census Operational Plan, Version 2.0

Issued September 2016, U.S. Census Bureau, page 92

In 2020, the U.S. Census Bureau will conduct its next decennial census, the results of which will help determine apportionment of seats in the House of Representatives and the direction of billions of dollars in federal funding over each of the subsequent 10 years.

Historically, the Census Bureau has not used post office boxes during decennial operations. However, because many Alaskans are unable to receive mail at home and use post office boxes instead, post office boxes give the Census Bureau a new, cost-effective opportunity to communicate with and encourage timely responses from the Alaskans who are the most difficult and expensive to count.

During the once-a-decade effort to count the U.S. population, the Census Bureau calculates a participation rate for each area, which is the percentage of questionnaires mailed back by households that received them. In 2010, Alaska had the lowest participation rate in the nation at 64 percent, down from 67 percent in 2000.

Low participation rates led to increased expenses, as the Census Bureau had to follow up with each of the nonresponding households in an operation called Non-Response Follow-Up, or NRFU. Lack of voluntary participation can also contribute to inaccurate population counts, as details for households that don't respond after repeated attempts are taken from a proxy — usually a neighbor — or otherwise imputed by the Census Bureau.

Table 1 gives participation rates for Alaska areas. Clearly, the Census Bureau must employ better strategies in Alaska to increase participation rates in many communities and, in return, decrease the cost of NRFU and improve data quality. As part of a cost-effective communications strategy, we recommend mailing promotional materials, such as postcards, to Alaska post office boxes to encourage households to respond. For less than 16 cents apiece, the Census Bureau can get postcards delivered to each post office box in Alaska.

For example, the City of Hoonah, in which there is no mail delivery, has 429 post office boxes. For about \$67, any organization with a bulk mail permit can get a postcard delivered to all of them. The Census Bureau could use this service to send a postcard to every post office box in Hoonah that advises residents to look for 2020 Census materials affixed to the door of their home on a certain date, suggests what to do if they don't find the materials, and encourages their timely response. Considering that each NRFU case cost the Census Bureau an average of \$33.60 in 2010, this strategy would be cost-effective if it resulted in as few as two households in the community responding on their own.

#### WHY DOES IT MATTER?

*For funding reasons alone, an accurate count of the population is important to each community. In fiscal year 2015, Alaska received almost \$3,000 per capita through federal assistance programs that distribute money based on decennial census-derived statistics, compared to the U.S. average of \$1,838, according to a recent analysis by the George Washington Institute of Public Policy. The programs that distributed the most money to Alaska in fiscal year 2015 were Medicaid (more than \$1 billion), Highway Planning and Construction (more than \$500 million), and Supplemental Nutrition Assistance (almost \$170 million). In addition, Alaska's Community Assistance Program distributes millions of dollars in state funding each year to communities based in part on population estimates derived from the decennial census.*

United States®  
**Census**  
Bureau

**Alaska Counts**  
2020 Census

# TABLE 1:

## Participation rates for selected areas in Alaska by Type of Enumeration Area (TEA)

### 2010 Update/Leave TEAs<sup>1</sup>

PLACE NAME	2000 %	2010 %
Angoon city	48 %	37 %
Barrow city	46 %	36 %
Bethel city	53 %	49 %
Coffman Cove city		33 %
Cold Bay city	17 %	29 %
Cordova city	64 %	57 %
Craig city	56 %	52 %
Dillingham city	62 %	50 %
Gustavus city		37 %
Haines Borough	62 %	46 %
Hoonah city	55 %	47 %
Houston city	52 %	47 %
Hydaburg city	49 %	46 %
Kachemak city	54 %	60 %
Kake city	56 %	43 %
Kasaan city		27 %
Klawock city	43 %	49 %
Kotzebue city	57 %	50 %
Kupreanof city		35 %
Nome city	59 %	51 %
Petersburg city	67 %	67 %
Sand Point city	42 %	51 %
Seldovia city	49 %	41 %
Seward city	59 %	60 %
Skagway, Municipality	59 %	41 %
Tenakee Springs city	35 %	34 %
Thorne Bay city		38 %
Unalaska city	50 %	48 %
Valdez city	63 %	57 %
Wrangell, City and Borough	63 %	54 %
Yakutat, City and Borough	43 %	42 %

### 2010 Mail Out/Mail Back TEAs<sup>1</sup>

PLACE NAME	2000 %	2010 %
Anchorage, Municipality <sup>2</sup>	73 %	73 %
Fairbanks city	64 %	65 %
Homer city	62 %	69 %
Juneau, City and Borough	73 %	75 %
Kenai city	77 %	73 %
Ketchikan city	65 %	70 %
Kodiak city	67 %	69 %
North Pole city	70 %	69 %
Palmer city	79 %	77 %
Sitka, City and Borough <sup>2</sup>	71 %	63 %
Soldotna city	76 %	77 %
Wasilla city	71 %	74 %

<sup>1</sup> In Mail Out/Mail Back TEAs, census questionnaires are mailed to households through the United States Postal Service. In Update/Leave TEAs, census questionnaires are hand delivered by Census Bureau employees, usually by affixing census materials to each household's door.

# ALASKA NATIVE PEOPLE COUNT 2020 CENSUS

Item f.

## Why the Decennial Census is Important

The 2020 Census will determine funding for local services and economic opportunities for the next 10 years. Counting every Alaskan is critical to ensure full federal funding for healthcare and hospitals, schools and public safety, along with road and airport construction and maintenance.

Native households are at risk of being undercounted. Alaska Natives have been undercounted for decades. Many programs that benefit the Native community are funded based on census-driven data, including:

- Head Start Program
- Medicaid
- SNAP
- Special Programs for the Aging
- Housing Assistance
- Alcohol and drug abuse counseling
- Title I Grants to Local Education Agencies
- Native American Employment and Training
- Indian Health Service (IHS)

*Learn more at [alaskacounts.org](https://alaskacounts.org)*

 **The census is confidential, quick to complete, and important.**

Strong legal protections prohibit the Census Bureau from using census data against the Alaskans who complete the census. The Census Bureau cannot share information with immigration enforcement agencies, law enforcement agencies, landlords  
140  
employers, or allow this information to be used to determine eligibility for  
government benefits like TANF, HUD, or SNAP.



# COUNTING ALASKAN KIDS IN THE 2020 CENSUS

**About 5% of kids—or one million children—under the age of 5 weren't counted in the 2010 Census.**

Undercounting kids has devastating consequences. Responding to the census helps determine \$800 billion in federal funding for programs such as

- Denali KidCare
- Supplemental Nutritional Assistance Program (SNAP)
- National School Lunch Program
- Head Start
- Title 1 Educational Funding

The 2020 Census will need to count over 53,000 children under the age of 5 in Alaska.

**If kids go uncounted in 2020, our communities will miss out on critical funding for healthcare, education, and more.**



## **Facts for Parents and Adults: Counting Kids in the census**

**The census form only takes about 10 minutes to complete. The census counts...**

- 1** Everyone where they live and sleep most of the time.
- 2** All people living or staying at an address, not just the person or family who owns or rents the property.
- 3** All children, including nonrelatives and children staying temporarily, or with no other place to live.
- 4** Babies! Even if they are still in the hospital.



**The census is confidential, quick to complete, and important.**

Strong legal protections prohibit the Census Bureau from using census data against the Alaskans who complete the census. The Census Bureau cannot share information with immigration enforcement agencies, law enforcement agencies, landlords or employers, or allow this information to be used to determine eligibility for government benefits like TANF, HUD, or SNAP.

**Alaska Counts**  
2020 Census

# CITY & BOROUGH OF WRANGELL, ALASKA BOROUGH ASSEMBLY AGENDA STATEMENT

<u>AGENDA ITEM TITLE:</u>	<u>DATE:</u>	December 10, 2019
	<u>Agenda Section</u>	<b>15</b>

**Executive Session:** Borough Manager's Annual Evaluation & Contract Discussion

SUBMITTED BY:

Lisa Von Bargaen, Borough Manager

FISCAL NOTE:

**Expenditure Required:** \$XXX

FY 19: \$	FY 20: \$	FY21: \$
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**Amount Budgeted:**

	FY20 \$100,000
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**Account Number(s):**

**Account Name(s):**

**Unencumbered Balance(s) (prior to expenditure):**

Reviews/Approvals/Recommendations

<input type="checkbox"/>	Commission, Board or Committee
Name(s)	
Name(s)	
<input type="checkbox"/>	Attorney
<input type="checkbox"/>	Insurance

ATTACHMENTS: 1. Proposed Contract Amendment

**RECOMMENDATION MOTION:**

I move, pursuant to 44.62.320 (c) (2), that we recess into executive session to discuss matters that may tend to prejudice the reputation and character of any person, specifically to discuss the Borough Manager's Evaluation.

**SUMMARY STATEMENT:**

It is time for the Borough Manager's annual evaluation and a discussion about extension of the Manager's contract.

For the purposes of the evaluation, during the Manager's last review the following priorities were identified:

1. Following personnel policies and procedures (e.g. confirmation of timely evaluations).
2. Communication with the Assembly (e.g. KYP Messages, Review of RFPs).
3. Delegating & Empowering Staff
4. Keeping on Track with Building Maintenance
5. Attention to City Finances, Specifically Savings & Investments

For purposes of the contract extension, a proposed amended contract is being prepared by the Manager and will be emailed out no later than Monday morning for Assembly review prior to the Executive Session.